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U.S. News & World Report

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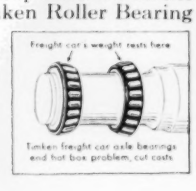

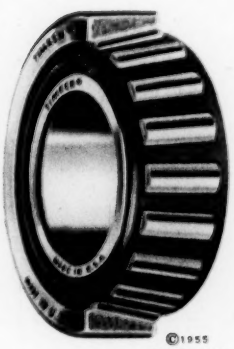

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★ Russia's Big Problem – As a U.S. Farmer Saw It

This is the story of what's wrong with Russia's farms. Is it a basic weakness of the Communist system? The story is told by an expert, Herbert W. Pike, an Iowa farmer who has just returned from 36 days in Russia with a group of American farmers. For his views in an exclusive interview, see page 28.

★ Can U.S. Hold Its Mediterranean Defense Line?

Fighting between French and Arabs in North Africa is only one of many threats to America's chain of air bases. If these bases are lost, what can U. S. do? For the problem, see page 22.

★ How Chinese Reds Tortured U.S. Fliers: Full Story

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MOBILE WHITE HOUSE

THE PRESIDENT interrupted his Colorado vacation for three hectic days:

Monday: Arrived in Denver at 7:30 a.m. after five days of trout fishing. Conference with Atomic Energy Commission Chairman Lewis L. Strauss. Special news conference to announce plan to survey flooded areas in Northeastern States. A TV appeal for contributions to help flood victims. An 11:58 p.m. takeoff for New England by plane. Mr. Strauss went along to continue his report to the President en route.

Tuesday: An early-morning inspection of portions of six States by plane. An 8:44 a.m. landing at Hartford, Conn., where Mr. Eisenhower met with six Governors for an hour-long conference in an aircraft hangar. Back to Washington for more conferences on international affairs and on flood relief. A 100-million-dollar program of federal flood relief was launched.

Wednesday: A flight to Philadelphia for a major foreign-policy speech. A brief "family reunion" with Eisenhower brothers Earl and Edgar. A flight back to Washington. More conferences. A 5½-hour flight to Denver.

Thursday: Back on "vacation," the President began his day with an 8:30 a.m. conference on reclamation policy.

"AMBASSADOR" NIXON

THE NATION'S unofficial good-will ambassadors were planning to take off again. The White House announced that Vice President and Mrs. Richard M. Nixon will tour the Near East and Africa, probably this November, at Mr. Eisenhower's request. Twice before, the Nixons have made friends abroad for the Administration. In 1953, they went around the world, spending most of their time in the Far East. Early this year, they traveled through Central America.

H-BOMB OR JAUNDICE?

THE JAPANESE FISHERMAN who was widely regarded as the world's first H-bomb victim actually died of jaundice, reported Dr. Frank B. Berry, U. S. Assistant Secretary of Defense.

The fisherman, Aikichi Kuboyama, was one of 23 crewmen on the fishing boat *Lucky Dragon*, which was dusted with radioactive fall-out while sailing more than 100 miles from the site of a U. S. H-bomb explosion at Bikini. Kuboyama's death has received a steady play in the Communist press, with charges that he was a radiation victim.

"The man most certainly died of ordinary jaundice, arising from transfusion reactions," Dr. Berry said. "He would have survived like the others, except for the jaundice." Dr. Berry added that Japanese doctors have "conceded that this is true." But Dr. Kazuo Kiyoshi, the chief physician in charge of the 23 Japanese fishermen, challenged the American doctor's statement. In his view, Dr. Kiyoshi explained, the jaundice was caused by radiation, and not by infected blood transfusions.

TEXAS TO U.S.S.R.

MEMBERS OF THE Soviet farm delegation were not empty handed as they wound up their 12,000-mile tour of U. S.

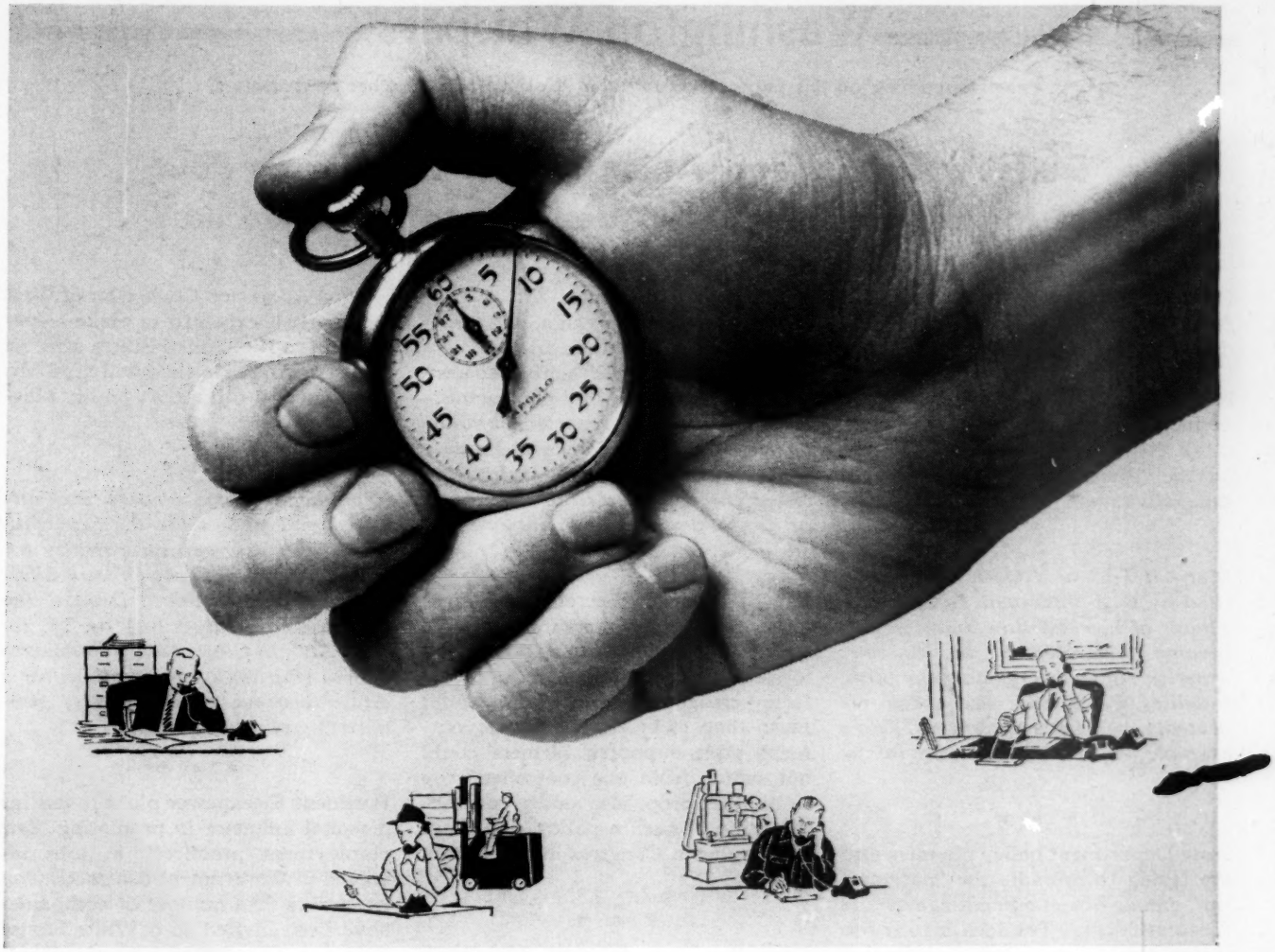
Yuri Golubash, an animal-husbandry specialist, flew to Texas to buy some beef cattle from the King Ranch. More than almost anything else, the Russians said, they wanted to take to Russia some of the Santa Gertrudis cattle developed there—cattle which are notable for beef production and resistance to heat and insect pests.

Also included in the Russians' "baggage": copious notes on U. S. production methods and mechanical innovations, many volumes of agricultural statistics and literature, samples of American seeds and, possibly, the seed of an idea: Secretary of Agriculture Ezra T. Benson had given them a rousing sales talk on the free-enterprise system that makes American production possible.

NEW FIRSTS IN THE AIR

AVIATION DEVELOPMENTS were coming thick and fast. Two British airmen flew from London to New York and back in 14 hours, 21 minutes and 45.4 seconds. Their transatlantic meal schedule: breakfast in London; lunch in New York; dinner in London. The record flight was made in a Canberra twin-jet bomber. Average speed for the round trip of 6,920 miles was 481.52 miles an hour.

The U. S. Army, meanwhile, announced development of a hybrid airplane that combines the best features of the helicopter and the conventional plane . . . The Navy revealed it is testing a British-designed mirror device which enables carrier planes to land without directions from a signal officer . . . And the Air Force announced that a Super Sabre had set a world's speed record for level flight faster than sound—a bit over 800 miles per hour.



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[Items appearing on this page are reported in Washington and other news centers]

Dulles's Task: Keep Allies in Line . . . Funds Pour In for Republicans . . . Adenauer to Report to Ike?

President Eisenhower's address to the American Bar Association at Philadelphia was the opening shot in a U. S. policy to keep prodding Soviet Russia to give concrete evidence of its desire for world peace. U. S. officials think they have the Soviets definitely on the defensive and plan to press their advantage.

★ ★ ★

Marshal Tito, of Yugoslavia, is to be cited by U. S. diplomats as the No. 1 exhibit of how satellite countries can become independent of Moscow. American officials hope to wean other satellites away from Russia by repeatedly calling attention to Tito's example, suggesting that they follow it.

★ ★ ★

State Department policy planners also are trying to promote the "nationalists" among Soviet officials against the "revolutionists." The idea is to try to make the "nationalist" contingent popular in Russia and thus weaken Soviet attempts at world revolution.

★ ★ ★

John Foster Dulles, Secretary of State, believes his hardest task at the forthcoming Geneva conference will be to keep the British and French in line with U. S. policy. The Secretary fears that Soviet blandishments may persuade this country's allies to retreat from the position of strength that apparently brought about a change of Russian policy in the first place.

★ ★ ★

V. V. Matskevich, the Russian farm leader who headed the American tour of Soviet farm experts, attracted more than usual interest from U. S. officials. These officials have Matskevich pegged as a comer in Soviet officialdom, a man who someday will occupy a top position. He has risen fast in Russia's bureaucracy.

Representative Francis E. Walter (Dem.), of Pennsylvania, chairman of the House Committee on un-American Activities, irked some Senators when he announced that his Committee would look into reported Communist infiltration of Senate committee staffs. The Senators are inclined to resent this intrusion from the House, prefer to do their own inquiring.

★ ★ ★

Ezra T. Benson, Secretary of Agriculture, is under pressure from the American Farm Bureau Federation to invoke "cross compliance" in future farm-acreage controls. This would mean that, to be eligible for Government price supports, farmers could not switch from one controlled crop to another crop, also under controls. Adoption of such a policy would not be popular in Congress in an election year.

★ ★ ★

Vice President Richard M. Nixon looks more and more like Mr. Eisenhower's choice as a running mate in 1956. Mr. Nixon's mission to Africa and the Middle East is in part a build-up for his renomination.

★ ★ ★

Marion Folsom, new Secretary of Health, Education and Welfare, is quietly revising some of the programs espoused by his predecessor, Oveta Culp Hobby. The aim is to avoid future conflicts with Congress. One of the first casualties is to be Mrs. Hobby's health-insurance plan, which Congress ignored last session.

★ ★ ★

President Eisenhower may have to look for a new vacation spot for next year's fishing. Reports are that the city of Denver wants to tap the waters of the Aksel Nielsen ranch, where the President stays, which would reduce the flow of his favorite trout stream.

Konrad Adenauer, Chancellor of West Germany, is expected to make a special trip to the United States after he visits Moscow. He then will give Mr. Eisenhower a full report on his Moscow trip.

★ ★ ★

Republican Party leaders are surprised and pleased at the ease with which they now can raise money for political campaigns. At a recent fund-raising dinner in South Dakota, the goal was oversubscribed by 25 per cent. And, in Cincinnati, Republicans had to stop taking reservations for a dinner because no more party supporters could be seated.

★ ★ ★

President Eisenhower plans to use his personal influence in promoting "fair employment practices" in jobs involved in Government contracts. Top executives of a number of companies have been invited to a White House dinner in October to hear the President's views on the subject. The objective is to bring an end to racial discrimination in hiring.

★ ★ ★

White House aides are not being encouraged to make trips from Washington to Denver during the President's vacation. Mr. Eisenhower is trying this year to make his Denver stay more of a real vacation. Aides will make the journey, however, when problems appear urgent.

★ ★ ★

Direct payments to farmers, in the event that farm income continues to lag, are being considered by some Republican members of Congress. This might be an attractive proposal in an election year. Essentially, it is the discarded "Brannan plan" of the Truman Administration, but it will be called by another name if it is actively promoted.

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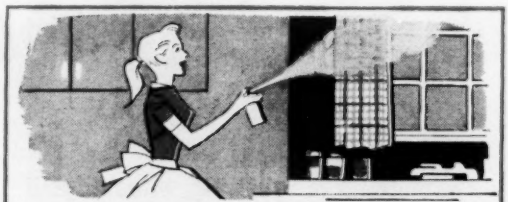

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Tomorrow®

A LOOK AHEAD

Newsgram®

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Taxes will be reduced in 1956. Latest official word on the Eisenhower budget makes that quite certain. As the White House now sizes things up:

A balanced budget, after all, will be achieved in Ike's first term.

Balance may come this year, the year to end in mid-1956. That's the goal. Budget surplus then will show up in the year to start in mid-1956. Ike's budget for that year will be submitted to Congress next January.

White House plan, thus, is to start a new election year by announcing that Eisenhower has made good on another campaign promise--to balance the budget.

If it all works out that way, as Republicans expect:

Eisenhower himself will urge reductions in taxes. How much reduction? Too early to be sure, but probably no more than 2 billion dollars a year. Whose taxes? Individuals', on some percentage basis. Formula for cuts will bring on a squabble in Congress. Tax cuts for corporations in 1956 look doubtful. Cuts in excises, if any, will be sparing and highly selective. Personal-tax cuts are the ones that will appeal to Congress in an election year.

Republican idea is to steal the show from Democrats, who now tell the country taxes would have been cut in 1955 if Eisenhower hadn't stood in the way. New Republican line, signaled by budget statements of the last few days, is that, when a tax cut comes, it will not be because Democrats demanded it, but because Republicans, under Eisenhower, balanced the budget.

White House is passing the word to Government agencies: Tighten up on spending. The goal: To save 1.7 billion dollars in the next 10 months. That is the amount of the budget deficit, as now estimated for the year ending next June 30. It's a real drive for economy that is getting under way.

New spending for public works, with emphasis on flood control, will be urged by Eisenhower next January. Big programs like these, however, get going slowly. Early effects on the budget will be small.

Emergency relief for flood areas, to come quickly, will not upset the new budget calculations to any great extent.

Military departments fear the worst in the budget trimming now starting.

In the current year, the armed services were ordered to find ways to save 1.75 billion dollars. Of that, they have marked up savings totaling 750 million, and still have a billion to go.

Next year, military men expect to be called on to make more cuts.

Army and Navy are being reduced already. This was ordered on the theory

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that mounting strength of the Air Force justified cutbacks elsewhere.

Now the Air Force is worried, looks for an order to slow the air build-up. Projected strength of 137 wings, to be realized in 1957 under present plans, would be delayed, in that case, until 1958 or 1959.

Army and Navy, too, fear they will have to cut back again.

Defense spending, as the big item of the budget, is the tempting place to cut. With the combination of an economy drive at home and the talk of peace from the powers in Russia, U.S. military men foresee more and more pressure for a letup in spending for defense.

The boom in business, not any new cut in spending, is the thing that is pulling the Administration out of its budget troubles at this point. Spending in this budget year so far is running higher than estimated last January.

Revenue, though, is rolling in. As personal incomes and profits go up, there is more money for the Government to tax.

Revenue losses to be caused by the flood in Northeastern States are yet to be measured. Officials believe, however, that these losses will not be enough to cause any major overhaul of budget projections.

Official forecast of business, used in arriving at the amount of money to be collected in taxes, is on the conservative side.

Personal income in the full year that started July 1 was estimated last January at 298.5 billion dollars. Now this estimate is raised to 300 billion. Official figures show income already running at a rate of 301.2 billion.

Corporation profits for the year, before taxes, were projected last January at 36.4 billion dollars. Now the estimate is raised to 40.6 billion. Actually, according to latest official figures, profits are running 42.5 billion.

Rising prosperity, thus, could push the Treasury's revenue above the latest forecast. This, really, is the big hope of the budget balancers.

Upturn in living costs is slight, does not signal any runaway in prices.

Average American is better off than ever before. Wages of factory workers, on the average, have gone up 19 per cent in the last four years. Living costs, in the same period, have gone up 3 per cent.

Jobs, nearly everywhere, are plentiful. Employment, as shown by official survey, has hit a record 65 million. Unemployment is down 1 million from a year ago, now stands at 2.5 million.

Farm income is the sour spot. New figures show farm prices so far this year are running 4 per cent below the same period last year. Bumper crops are putting downward pressure on prices. Decline in farm prices may continue as harvest progresses. So says Agriculture Department.

Foreign markets, more and more, are being eyed by U.S. Government.

Sales abroad will be pushed, notably sales of surplus food products.

Rise in world population exceeds all expectations, and much of that rise is in areas where food is scarce.

In the next 20 years, according to projections by the United Nations, world population may increase by a billion, up 40 per cent from the present 2.6 billion. That would be equal to the 55-year rise from 1900 to 1955. These figures point to a vast potential market. How to tap that market is the question.

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OF THE WEEK

› ARMY ENGINEER moving in to help six Northeastern States recover from August's disastrous floods is an officer with a reputation for tackling tough jobs with enthusiasm, getting them done quickly. **Lieut. Gen. Samuel D. Sturgis, Jr.,** Chief of Engineers, is a third-generation Army officer. His father commanded the 37th Division in World War I; his grandfather fought in the Civil War. Both were West Pointers, major generals.

General Sturgis, a native of St. Paul, Minn., also was graduated from the U. S. Military Academy, class of 1918. He served in the Philippines prior to World War II, pioneered in the development of heavy mechanical equipment—such as bulldozers—for combat engineers. He was in charge of all airbase, port and Army construction in 22 amphibious strikes of the Pacific campaign in World War II.

In peacetime, General Sturgis has tackled flood-control work on the Ohio, Mississippi and Missouri rivers. His engineers have built and maintained "watchdog" defense bases in Greenland and Alaska, meeting and conquering the challenges of subzero temperatures, deep snow and shifting ice.

The Chief of Engineers is 58, likes to move fast whether walking, flying or driving. At home, he seeks "escape" in reading military history, working out mathematical problems. He is a conservationist, has repeatedly urged the building of more dams and storage facilities to preserve America's water supplies.

› A WESTERN BANKER experienced in international economic affairs is President Eisenhower's choice to be the new president of the Export-Import Bank. **Samuel C. Waugh** will take over the post about October 1, serve on an interim basis until his appointment comes before the Senate when it reconvenes in January.

Mr. Waugh, 65, was a banker in Lincoln, Nebr., for 40 years before coming to Washington two years ago as Assistant Secretary of State for Economic Affairs. Since then he has traveled widely, represented the U. S. at international conferences in New Delhi, Ottawa, Geneva, Paris and Caracas, Venezuela.

The Export-Import Bank for a long time was considered a "stepchild" among Government agencies. Set up in 1934, immediately after this country recognized Soviet Russia, its original purpose was to stimulate trade with Russia. This plan never worked out, and the Bank at various times has been a part of the Federal Loan Agency, the Department of Commerce and the Foreign Economic Administration. Congress in 1945 designated it as an independent agency.

The Bank has a lending authority of 5.5 billion dollars, makes loans to American exporters and to foreign governments or companies trading with the U. S. Latest available figures—for fiscal 1954—show that it made a profit of 57.4 million dollars; paid the U. S. Treasury 22.5 million in dividends.

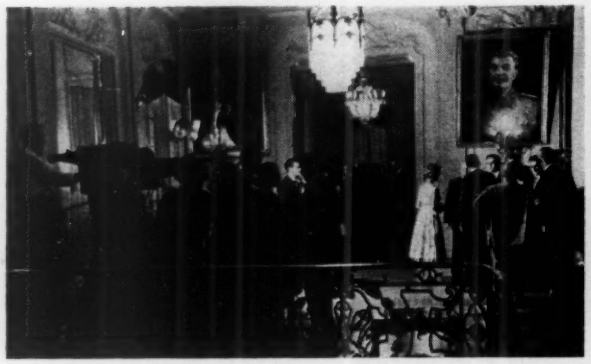
› A SOUTHERN LAWYER with a background of leadership in legal-aid activities is the new president of the American Bar Association. A practicing attorney in Atlanta, Ga., for 33 years, **E. Smythe Gambrell** took office at the 78th annual meeting of the Association in Philadelphia.

In Mr. Gambrell's view, lawyers are "natural leaders" of the community, giving prestige and authority to the law as a social force. He says the ABA, with its 58,000 members—nearly one-fourth of the nation's lawyers—must supply "bold and imaginative leadership to bring and keep justice within the reach of persons in every condition of life."

Mr. Gambrell, 59, was born in Belton, S. C., served in France with a machine-

(Continued on page 14)

ROLLING BACK THE IRON CURTAIN IN SOVIET EMBASSY



AT SOVIET PARTY: U. S. TELECASTERS . . .

—USN&WR Photos

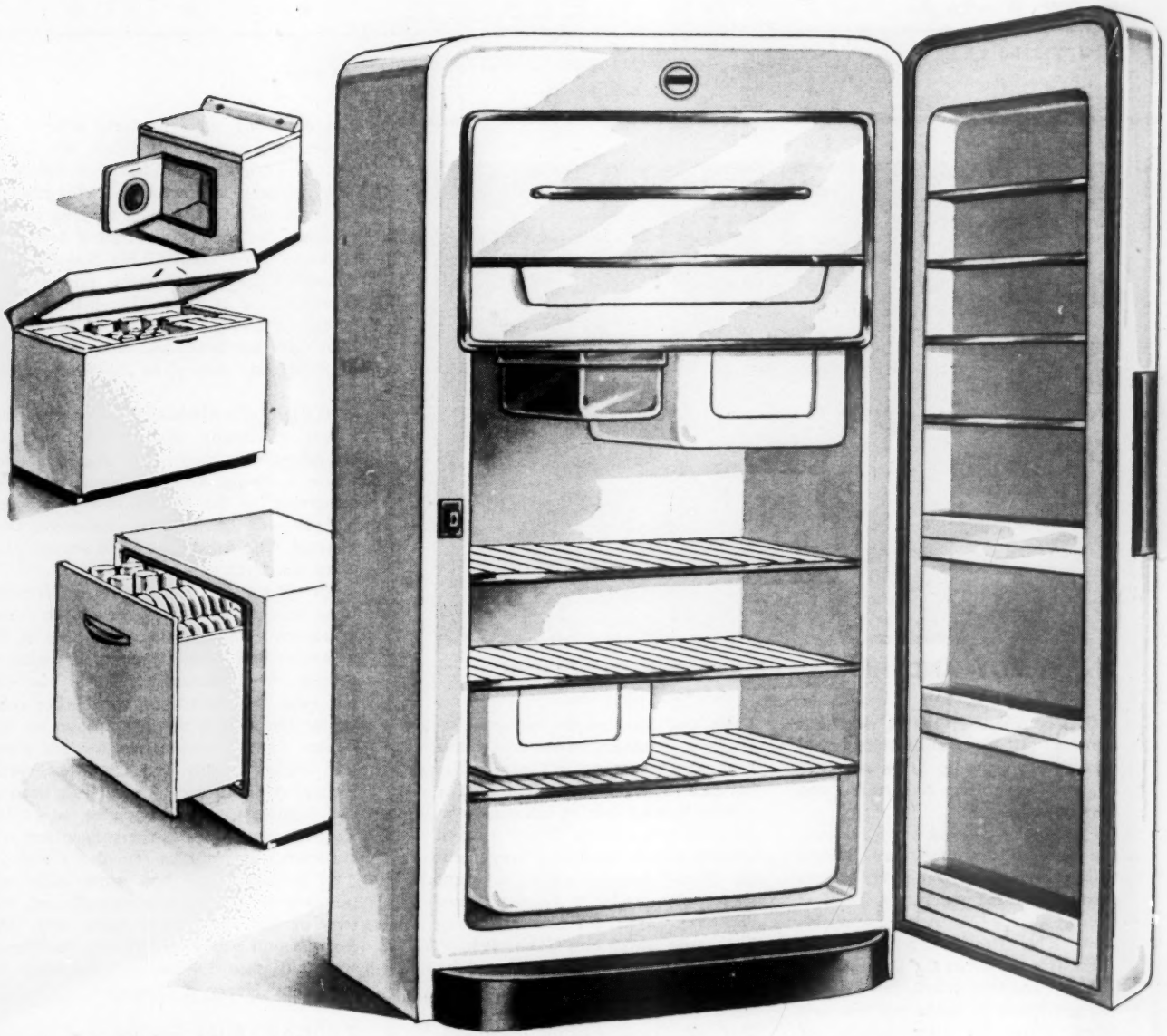
. . . AND PLENTY OF RUSSIAN DELICACIES

RUSSIAN DIPLOMATS introduced the Kremlin's "soft look" to the Soviet Embassy—a stone mansion on Washington's fashionable 16th Street.

At a reception for visiting Russian farmers, the Reds entertained U. S. Government officials, newspapermen, foreign diplomats; treated them to mounds of caviar, the best Russian vodka; mingled graciously with their guests in an outward display of friendliness.

Biggest surprise of the evening was the presence of a Columbia Broadcasting System television crew, which set up its cameras in two rooms, recorded the historic event for transmission to viewers across the nation.

News photographers were allowed to roam through the public rooms of the Embassy—once the home of George M. Pullman, the sleeping-car builder—snapping pictures on a shutterbugs' holiday.



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A BOY AND HIS PAL ENJOY THE OUTDOORS

DAVID EISENHOWER may not know it, but his grandfather would like him to grow up to be a soldier as well as golfer, fisherman and horseman.

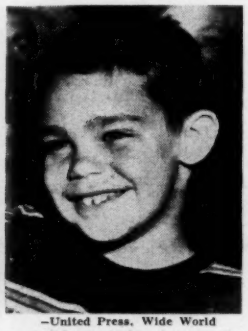
President Eisenhower's friends say he is hopeful that young David will carry the Eisenhower name through a third generation at West Point, accept an Army commission. The President's only son, John, is a major in the U. S. Army.

The President wants his 7-year-old grandson to make up his own mind when the time comes, of course. But he has taken it upon himself to give the youngster training in what he considers the "manly arts"—including shooting; is trying to instill in David a strong sense of discipline; wants to avoid pampering him at all costs.

Mr. Eisenhower exhibited his pride and love for the boy at a recent get-together in Colorado, where both were vacationing. Grandfather beamed when David displayed a ribbon he had won at camp for air-rifle marksmanship. The President offered advice and encouragement as David banged away at some golf balls, rode a horse named "Smokey," tried his luck at fishing but came away empty-handed.

President Eisenhower is said by friends to be no indulgent grandfather in his relations with David. Out camping or visiting his grandparents at their Gettysburg farm, David makes his own bed; must eat whatever is served at table.

And when he practices golf with his grandfather and sprays his shots into the rough, no one runs to fetch balls for him. David has to do that himself.



—United Press, Wide World

gun company during World War I. He is general counsel of Eastern Air Lines, and of various other business interests.

A primary interest in Mr. Gambrell's professional life has been helping people without the means to employ legal assistance when needed. He founded the Atlanta Legal Aid Society, and was its president for 16 years. He believes that "every individual in the U. S. should have his day in court, with the benefit of legal aid, even if he can't afford it."

› **ACTING CHAIRMAN** of the National Labor Relations Board, promoted by President Eisenhower to the post last week, is **Philip Ray Rodgers,** who was appointed to the Board two years ago. He succeeds the retiring chairman, Guy Farmer, who asked not to be reappointed when his term expired.

Mr. Rodgers is identified by Republican leaders as a member of the "conservative wing" of the party. He is 39, a lawyer and former teacher of political science, from Bountiful, Utah. He also has long been identified with labor relations. He was a staff employe of the Senate Labor Committee for six years and worked closely with the late Senator Robert A. Taft. He is a veteran both of the congressional struggle to enact the Taft-Hartley Act and the subsequent unsuccessful attempt to repeal the Act.

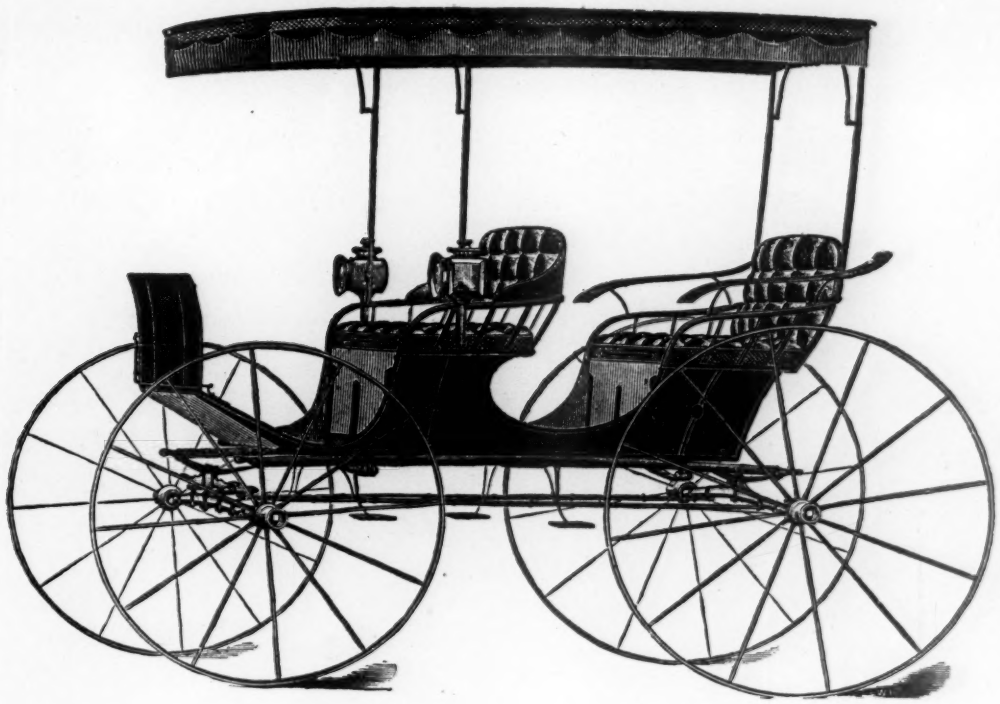
Mr. Eisenhower has made four appointments to the five-man Board, but two of his appointees have left, Mr. Farmer and Albert C. Beeson. The Board still has two holdovers appointed by President Harry S. Truman.

› **EDGAR FAURE** wrestled with crises at home and overseas last week as the death toll from violence in French-ruled Morocco and Algeria climbed into the thousands.

The French Premier conferred in turn with Moroccan nationalists who presented Arab demands for greater home rule, and with rebellious right-wing leaders of his own coalition Government who urged him to recall Parliament—in recess until October—to discuss the North African situation.

A prominent lawyer who helped to prosecute Nazi war criminals at the Nuremberg trials, Mr. Faure rose rapidly to the top after entering politics in 1946. Early in 1952 he was named Premier, lasted 40 days. He has served as Finance Minister in several Cabinets.

The Premier used to write best-selling detective novels in the days before politics demanded all his time. He speaks Russian fluently, has accepted a Soviet invitation to visit Moscow.



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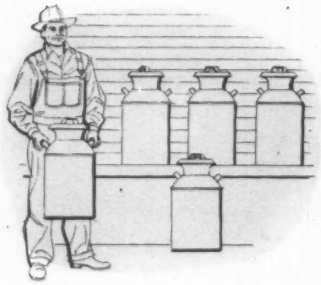

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VOLUME XXXIX—No. 10 U.S. News & World Report WASHINGTON, D. C.

HOW TO STOP THE BIG FLOODS

Controls Along Tennessee and Mississippi Point the Way

A speed-up in the nation's flood-control program is now in sight, as a result of the recent disaster in the Northeast.

More dams are being planned—not just big dams on the main rivers, but thousands of little ones on the tributaries as well.

There also will be terracing and planting of grass and trees to keep more rain water on the land, away from the rivers.

All this will take years, cost billions. Even then it will not stop hurricanes.

But experts are convinced it will save far more than it costs. And the President and Congress are in a mood to prod it along.

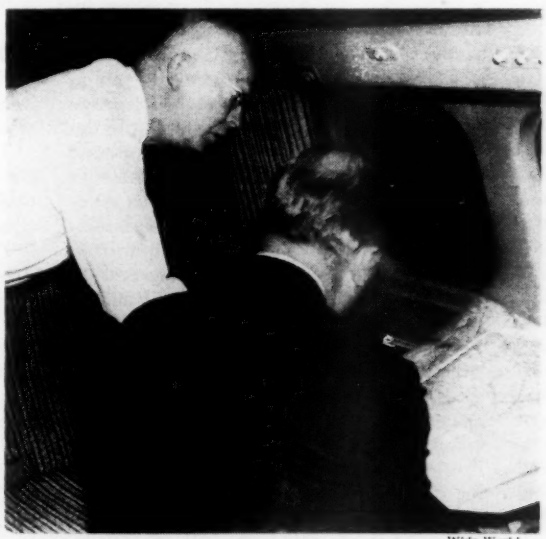
People in the United States are becoming more concerned than ever about disastrous floods. Pointed questions are being raised: With all the money spent by Government on flood control, why does the country still have floods that establish new records for damage? Why aren't the big floods controlled?

What happened in New England, Pennsylvania, New York and New Jersey is suddenly focusing new attention by the Government and by people generally on flood control. This single destructive stroke against the Northeast—dead in the hundreds, damage in the billions—may lead to changes in flood-control policy.

Stopping the big floods will involve the expenditure of billions more. The Army Corps of Engineers has 7.5 billions worth of dams, levees and other structures in the works; surveys are laying groundwork for more billions' worth of flood-control projects.

- More big dams are to be built by both the Corps of Engineers and the Reclamation Bureau.
- More dams of medium size are to be built on tributary streams of major rivers.
- Bigger, better levees are to be built on the Missouri, Ohio, upper Mississippi, and many lesser streams.
- Watershed protection, just beginning, is to be expanded. It involves building of thousands of earthen dams for ponds, terracing and contouring of land, planting of grass and trees to keep more rain water on the land and out of flooded streams. The Agriculture Department looks upon this as a permanent program.

Under present schedules of spending and construction, 20 years will be required to complete the nation-wide flood-control system envisioned by the Corps of Engineers.



Wide World

THE PRESIDENT SURVEYED THE DAMAGE
First relief, then a long-range program

Mood for speeding program. A speed-up is likely to come, however, from the shock of the New England disaster. Congressmen passing through Washington since the Northeastern floods say they expect a comprehensive control program to be laid before them next session. Members of both houses are in a mood to push the program along, perhaps even to reorganize power over flood-control measures held by various agencies that, in the past, have engaged in interbureau rivalries.

President Eisenhower, too, is expressing determination to get more done to keep floods in bounds to reduce or prevent heavy damage and loss of life. After inspecting the Northeastern flood damage from the air and conferring with Governors of the flooded States, the President announced a policy:

"We're going into the business of seeing whether we can prevent these floods in the future on a long-range basis, whether we can get insurance through some co-operation between insurance companies and States and Federal Government to prevent the kind of losses that have been suffered by our industries."

What happened in the Northeast, as the end product of hurricane Diane, would still have been a major

THE MAIN STREET OF WINSTED, CONN.—AFTER THE FLOOD
. . . deaths in the hundreds, property damage in the billions in Northeast

disaster, says the Corps of Engineers, even if all its planned—but unbuilt—flood works had been in operation.

More dams. More protection is to be given the area, however. In the Connecticut Valley, 26 dams already are authorized by Congress and are to be built. Money has not yet been provided for them.

A new project is being started to protect Wellsville, N. Y. Another, protecting Williamsport, Pa., is to be completed within a year.

Structures to keep the Hoosic River out of Adams and North Adams, Mass., are being built, but are not scheduled for completion for about two years.

New plans to protect New York and New England—50 volumes of them—now are circulating among State and local officials for comment and suggested changes before they become part of the Army Engineers' program.

So far, only a good start has been made. A dozen dams have been built in New England to hold flood waters. Only three were in the relatively small area hit by the torrents that followed the hurricane. A total of 12.3 million dollars was spent to build them, and the Engineers estimate the dams reduced damage by 13.2 millions by cutting flood crests in local areas.

Diane's behavior, dropping torrential rain over a small drainage area, is regarded by the Engineers as a "once-in-500-years freak." Full protection against such rarely recorded storms is held to cost more than it would be worth, especially in an intensely populated area like New England where sites for flood-control projects are expensive and hard to get, and where industry has crowded right to the edge of narrow streams.

Results, to date. What has been done throughout the nation, up to now, was summarized for Congress this year by Lieut. Gen. Samuel D. Sturgis, Jr., Chief of the Corps of Engineers:

"The 391 flood-control projects put in operation since 1928 have cut the average annual flood bills in half. But, still, no major river basin yet enjoys a completed flood-control program; in fact, there is none which is more than two-thirds complete. Some have barely begun. And completion of all those presently authorized would still leave the nation exposed to flood losses aggregating some 200 million dollars annually."

So far, the Corps of Engineers, responsible under law for flood control, has spent 4.5 billions on projects to contain floods. Accumulated savings from flood damage resulting from this expenditure, in the Engineers' estimate, amounts to almost $2 for every dollar spent; they believe that 5 billions in damage has been prevented along the lower Mississippi alone.

That stretch of the Mississippi, from Cairo, Ill., to the Gulf of Mexico, is what the Army Engineers regard as their prime exhibit of what can be done to control floods. They also use the Mississippi to refute arguments that grass and trees alone, without big dams or flood works, could stop floods by making water soak into the ground.

The Engineers have even included in official reports a statement that the Mississippi was rolling along in an immense flood when white men first saw it. Near the present site of Natchez, Miss., men in Hernando de Soto's expedition found roiling waters spreading out nine leagues from each bank in 1543. That was a width of about 50 miles.

The flood stalled the expedition and one of De Soto's followers wrote: "Such was our situation for two months, in which time the river did not fall . . ."

Taming the Mississippi. Since the Army Engineers went to work on Ol' Man River, after the 1927 disaster, they claim that all major floods have been contained. Flood waters from the Ohio and Missouri have been safely channeled to the Gulf once they passed into the system of levees, floodways and diversion channels at Cairo.

The Mississippi system involves zoning and restricted use of bottom lands in parts of the broad flood plain as well as the extensive system of dikes. Land can be farmed in the bottom, inside the levees, for instance, if the farmer wants to risk

Source: Corps of Engineers, U. S. Army

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loss of an occasional crop—but homes and other structures are kept out.

Besides the lower Mississippi River itself, the control system embraces other rivers in the flood plain such as the Yazoo in Mississippi, and the lower reaches of the Arkansas and Red rivers. Only major dams involved are four medium-sized ones on headwater tributaries of the Yazoo.

Flood works on that part of the Mississippi, where drainage from half the United States flows down one river, are practically complete. The Engineers claim that annual damage has been reduced to only 1 per cent of what it would be without controls.

The TVA story. Outside the bailiwick of the Army Engineers is another river under virtually complete control. This is the Tennessee, once a rampaging contributor to floods on the lower Ohio River and the Mississippi, and a raging destroyer between its own hilly banks.

Now the Tennessee is strapped between the hills by a series of power dams built by the Tennessee Valley Authority, an independent federal agency. The TVA presents figures to show that its dams have taken as much as 2 feet off Ohio flood crests at Cairo, a lowland town snuggled behind a high flood wall.

TVA goes much farther afield in its operations than does the Corps of Engineers, which is mainly concerned with flood control and navigation, with some interest in electricity production. TVA changed the character of the whole Tennessee watershed. Growing of cotton and corn on eroded hillsides is practically at an end. Free phosphate fertilizers supplied by TVA induced farmers to plant grass, grow cattle. Free seedlings supplied by TVA induced them to plant woodlands.

Patterns for control. These two—the lower Mississippi and the Tennessee—are patterns for the control of two different kinds of rivers. One has a broader flood plain and carries more water than any other river in the United States. The other is relatively narrow. The Engineers control one almost wholly by letting the waters run, directing nothing but their course and providing places for floods to overflow in orderly fashion. The other is controlled almost wholly by catching and holding the water behind dams.

Methods used on the two different rivers are being combined to control most other major streams in the U. S.

The main stream of the Ohio, for instance, is to be allowed to run. Dikes will protect its major cities and the small towns studded along its banks. Dams on tributary streams which feed the Ohio on rainfall from the western tip of New York to Illinois and Tennessee are designed to keep the Ohio within the bounds of the dikes.

The Missouri, on the other hand, is to be trapped with half a dozen major dams across the upper 1,000 miles of its main stem. Most of the dams are complete enough now to contain floods. One dam remains to be started. Gates on the lowest dam—the Gavins Point structure in northern Nebraska—have just been closed.

Gavins Point is designed to control navigation and floods. Big dams above it are used for electricity production. Huge sluices of water pour out at peak periods of power generation, causing river levels to rise and fall. Gavins Point will trap these surges of water, turn them loose in an even flow.

Dikes on the lower Missouri will protect cities and rich farm lands in the corn belt. Tributaries are to come under control by dams. A start is being made on harnessing the Kansas River, which channeled a cloudburst upon Kansas City four years ago and caused a billion dollars' worth of damage. The Engineers got money from Congress this year to start the Tuttle Creek Dam, a key part of their plans in Kansas.

Many-sided program. Although Army Engineers are primarily responsible for flood control, two other agencies are getting increasingly large shares in handling floods.

The Reclamation Bureau, in theory, is to build dams primarily for irrigation, water supply and power. Currently, this

Bureau is operating solely in the Western half of the U. S., spending about 150 million dollars a year. Some of the tributary dams in the Missouri Basin are its projects.

Hoover Dam on the Colorado, a Reclamation Bureau structure built for power and water storage, has halted major floods on the river below it.

Now the Agriculture Department is moving into the scene, with its plans to help hold back floods with terraces, grass, trees and small check-dams.

In this plan, local co-operation is the key. People throughout the whole drainage area of a creek or small stream must get together, agree on the watershed plan, put up about half the money. An estimated 10,000 watersheds may, eventually, be treated, at an average cost of around 1 million dollars each—a total of 10 billion dollars.

So far 16 million dollars has been spent on 60 pilot projects which will be completed in the next two years. About 7 million dollars more is allotted for surveys to start more projects.

Lakes to be built will have a maximum size of about a square mile; most will be much smaller.

Advocates of the plan say it will reduce the peak flow of floods, cut down on silt pouring into big dams, halt much soil erosion, build up moisture in the subsoil of farms, keep wells from going dry.

Ike likes plan. President Eisenhower has expressed enthusiasm for the idea which carries out his thoughts on partnership between the Government and local interests by requiring local sponsors to take responsibility in initiating each project and to pay part of the cost.

Conflicts between agencies—the Engineers, Reclamation Bureau and Agriculture Department—over methods of flood control have, in the past, been bitter. Now a live-and-let-live situation, if not full agreement, seems to have evolved. Emphasis, stemming from the White House, is on co-operation in applying a combination of methods to handle water from the moment it falls.

The Engineers now say that watershed treatment is a necessary part of flood control, and that they will be happy if eroded silt is kept out of their big lakes. The watershed partisans admit that big dams, as well as their little ones, are needed to stop floods. The Engineers and Reclamation Bureau are working together in the Missouri Basin because Congress combined their separate plans in 1944.

As of now, General Sturgis says this: "The nation is still a long way from achieving even the degree of flood protection engineers are now technically capable of providing."

The spur to action. Indications are that the shock of the Northeastern flood will speed attempts to achieve that protection more quickly. Demand for control of floods and willingness to spend more money are increasing. Similar previous disasters provided similar spurs to the program.

Permanent entry of the Federal Government into the field of flood control resulted from the 1927 flood on the Mississippi. The Ohio flood, 10 years later, led Congress to establish the comprehensive flood-control program for the nation—a program still far from complete. The 1943 rampage of the Missouri was followed by congressional approval of big dams to contain the Missouri's muddy floods.

Now, again, aroused Congressmen and a grim President seem ready to push for faster action. A new phase of the battle to stop the big floods is coming from the muddy wreckage strewn through the Northeast by a hurricane's cloudburst.

WHAT U. S. HAS DONE ABOUT FLOODS IN 28 YEARS

Money spent on flood control	$4.5 billions
Control projects in operation	391
Estimated damage prevented	$7.5 billions
Future projects *(under way, authorized or planned)*	684
Estimated cost of future projects	$7.5 billions

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WORST U. S. FLOODS OF LAST 100 YEARS

1874	Western Pennsylvania	220 killed
1889	Johnstown, Pa.	2,200 killed
1903	Kansas, lower Missouri and upper Mississippi rivers	100 killed
1913	Ohio River and tributaries	467 killed
1921	Rivers in Texas	215 killed
1927	Mississippi River	313 killed
1927	Rivers in New England	88 killed
1935	Republican and Kansas rivers	110 killed
1937	Ohio and lower Mississippi rivers	137 killed
1947	Midwestern rivers, Missouri and middle Mississippi rivers	29 killed
1951	Missouri and Kansas rivers	25 killed
1955	Rivers in Pennsylvania, New York, New Jersey and New England	ABOUT 250 DEAD OR MISSING

Source: Corps of Engineers, U. S. Army

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IS DEMAND FOR URANIUM SLIPPING?

Still No. 1 Atom Fuel Despite Talk of Substitutes

Uranium appears to be slipping as a source of atomic energy. But it's by no means "through."

Much of the glamour is gone. Uranium is downright common now. And thorium, even sea water may yield atomic power someday.

But atomic furnaces for tomorrow's power count on uranium as the reliable "coal." Chances are uranium will be in demand for a long time to come.

There are reports that the big uranium boom is over. Thorium, not uranium, is said to be the atomic fuel of the future. There is talk of controlling the blast of the hydrogen bomb, of getting power by fusing hydrogen atoms instead of splitting uranium atoms.

Canada has signaled an end to new contracts to buy uranium at premium prices after 1956. And the experts say there is uranium aplenty for all the world's needs through the foreseeable future. It's rumored uranium is "through."

Actually, investigation shows that uranium is going to be around for a long, long time as the No. 1 fuel of atomic energy. Big money will continue to be paid for major strikes of the metal.

As the experts see it, the first blush is off the boom. Geiger counters, hereafter, must tick louder over larger areas to locate the big money. But uranium will produce the first large flow of atomic power in the world.

No real price cut is in sight. In Canada, the price is $6 a pound for low-grade ore with a fixed uranium-oxide content. In the U. S., the price is about the same, starting at $4 a pound for ore of lower content. These prices are promised to producers by the U. S. and Canadian governments until 1962. After that, the experts say, demands of the private-power industry will put a continued support under prices.

Uranium everywhere. What is putting the brakes on the uranium boom is the expected supply for the years just ahead and the prospect of new sources of atomic fuel in the distant future.

Two mines—one on the Arctic Circle in Canada, the other deep inside the Belgian Congo—were the only sources of supply of uranium available to the U. S. and its allies just eight years ago. Since then, the U. S. alone has spent 46 million dollars encouraging the search for uranium.

Now, according to Jesse C. Johnson, Director of the Atomic Energy Commission's raw-materials division, the Western nations have resources—from many mines—of about 2 million tons of ore which can yield uranium oxide in a high-grade concentrate at a cost of $10 a pound. That, as uranium goes, is cheap. In addition, the U. S. alone has about 6 million tons of uranium in vast phosphate and shale deposits. This can be extracted, although at much higher costs.

—United Press

URANIUM PROSPECTOR
. . . a big demand for years to come

All over the world, uranium has turned up in quantity. Today's big producers are the Belgian Congo, Canada, the U. S. and the Union of South Africa. But Australia and Brazil have found rich deposits; France has discovered some; Portugal is boosting its output. Soviet scientists who turned up in Geneva, Switzerland, for the "Atoms for Peace" Conference say there is plenty of uranium behind the Iron Curtain.

"Breeders." Techniques of extracting and utilizing uranium fuel have improved enormously since the days when uranium was the "rare" metal of atomic energy. New mills now get up to 90 per cent of the pure uranium out of the ore where once 40 per cent recovery was considered fair.

Improvement in reactors, the "furnaces" which "burn" uranium, is rapid and continuous. "Breeder" reactors now in operation for research purposes actually produce more atomic fuel than they burn.

Such factors as these indicate a slowdown in the AEC program of seeking new sources of supply for uranium. But U. S. officials insist that there is a certain market for the high-grade uranium now in sight, not only at guaranteed prices up to 1962, but "long thereafter."

New atomic fuels. At present, the experts say, there is no real substitute for uranium as an atomic fuel. But future competitors are in sight.

Thorium is a possible competitor. Thorium alone is not fissionable. It must first be "seeded" with U-235, a uranium atom which is also used to produce plutonium, another atomic fuel. Some scientists, notably a British group, say that thorium may one day be more widely used than uranium as an atomic fuel.

So far, however, there is little demand for thorium. In the U. S., the AEC gets all the thorium it needs from firms long engaged in separating rare earths from monazite sands, producing thorium as a by-product. India, with the largest known supply of monazite sands, now exports none on the ground that the thorium may be used for weapons. Brazil, too, has some monazite sands, but demand, so far, is small.

In the far future, the major competitor of both uranium and thorium as an atomic fuel is likely to be plain sea water. U. S., Soviet Russia and Britain, all have announced that they are engaged in seeking a means of controlling the energy in fusion—the method used to get the gigantic explosion of the hydrogen bomb. Main source of hydrogen atoms is sea water.

To get the secret of controlling energy by fusion, the scientists must reduce the hydrogen explosion to manageable proportions. An Indian scientist predicted this might be achieved in 20 years. Lewis L. Strauss, Chairman of the AEC, said it might take "one to 1,000 years."

Leading fuel of atomic energy for many years ahead, in any event, will be uranium. It will be in demand not only by governments, but by private industries in need of power. At the present stage, uranium is settling down as an important, but no longer rare, world fuel.

THREATS TO U.S. OVERSEAS BASES

North Africa Is Not the Only Trouble Spot

Troubles are cropping up all along the Southern flank of Allied defenses against Russia.

U. S., not long ago, set out to build a solid defense chain along this line, across the Mediterranean and Middle East. Now—

Arab-French clashes are just one worry. The whole structure is developing weak spots and faces an uncertain future.

An outbreak of fighting between the French and Arabs in North Africa is prompting the U. S. to run a checkup on its 4,000-mile Southern defense perimeter—the network of bases and allies stretching along the Mediterranean and into the Middle East. That checkup shows warning signals at many key spots.

Nationalism, it turns out, threatens the defense line in some places. Bickering among allies causes trouble elsewhere.

Wherever they can, the Russians are undermining the structure with local appeals, new promises, veiled threats, and anti-American propaganda "lines" that could undercut local support for a whole string of bases.

At the Western end of the defense line, the U. S. is just now completing its elaborate Moroccan bases, at a cost of nearly half a billion dollars. Four are big, strategic air and supply bases—at Nouaseur, Sidi Slimane, Benguérir and Boulhaut—all usable in an emergency at this time. Another is a big naval air station at Port-Lyautey, with runways that now take planes as big as Constellations.

These bases, although not in immediate danger, are menaced by Arab-French fighting. All are exposed. Their fuel is stored above ground. A stray shot could break a fuel line or set off a fire in a fuel dump. Bases themselves have no American ground troops assigned for their protection, must rely on French troops who might get other missions in case of any general uprising.

A practical question is being raised, as a result, concerning how effective those major bases will be so long as the area is ripped by nationalist rioting. U. S. officials in the region are known to feel that, if France gets into another Indo-China type of war there, America's Moroccan bases may be in for real trouble.

This threat also applies to the Air Force's Wheélus Field at Tripoli. There appears to be no immediate danger to this base in Libya, but any spreading of Arab unrest could conceivably take out of operation a major U. S. base in the Mediterranean area.

Substitutes—how soon? As an alternative to these vulnerable bases, U. S. now has begun construction on four air and three naval bases in Spain. But they are only just begun and are still far from complete, so that it will be a long time before they could fill any gap that would come from the loss of North African bases.

Looking around the perimeter, the U. S. encouraged the setting up of a Balkan alliance between Turkey, Greece and Yugoslavia, as a firm "underbelly" for the North Atlantic Treaty Organization structure in Western Europe. Now this alliance is not so firm.

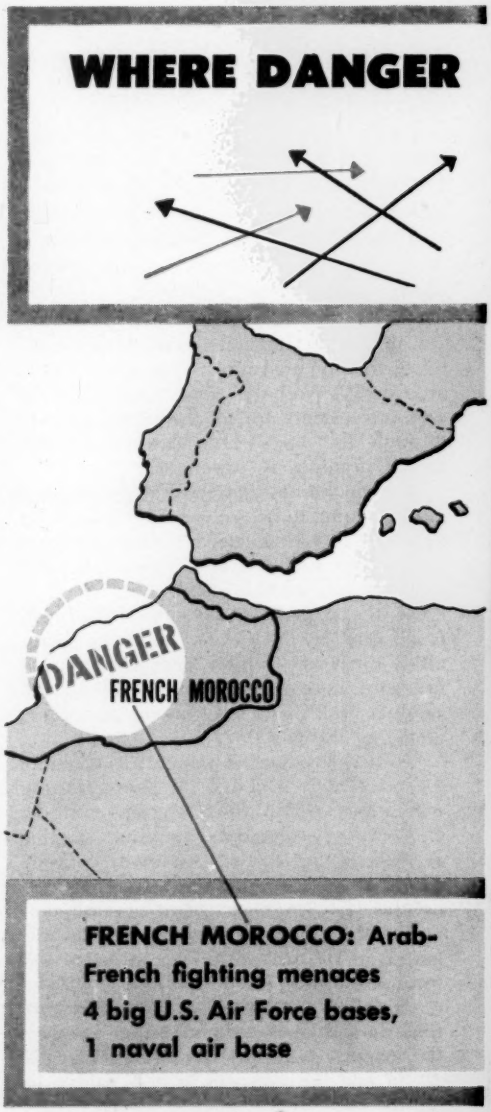
New uncertainty over Tito is upsetting plans in this part of the defense perimeter. The three countries of the Balkan alliance have held some staff consultations, but nothing like realistic field maneuvers has ever taken place. There have been no joint war games. Yugoslavia, receiving U. S. military aid, refuses to tell Americans what becomes of it, will not allow U. S. inspectors into that country to supervise its use. Yugoslavia negotiations with Russian officials and satellite ministers raise other suspicions about how firm this sector would be in a showdown.

Turkey and Greece, meanwhile, are at odds over the future of the British island of Cyprus. The Greeks want possession of Cyprus, while the Turks want it to stay in British hands. The British, themselves, want the island as a key base for the West in the Mediterranean. The whole thing is turning into an emotional issue, with feelings running high in Greece, and helps at this time to weaken the Balkan alliance.

Turkey's troubles. Purely from a military standpoint, the strong ally in this sector is Turkey. Turks hate the Russians, will fight Communism at the drop of a hat, and now supply vital bases for U. S. air power in this area. But here, too, there are danger signs.

Troubles in this case are primarily financial. Turkey is running down economically, with inflation getting out of hand. Defense spending is very high in relation to income. On the face of it, more U. S. aid is called for at this time. But appropriations for military aid have been curtailed, and available assistance has to be stretched to cover friendly countries the world over. The result is that Turkey soon may be forced to cut down on its share of defense spending, while U. S. aid cannot be increased to make up the loss.

Pakistan and Iran, too, are feeling the pinch of reduced U. S. aid and a slowing down of the flow of military equipment.


WHERE DANGER
DANGER
FRENCH MOROCCO
FRENCH MOROCCO: Arab-French fighting menaces 4 big U.S. Air Force bases, 1 naval air base

The United States is not building bases in these countries, but has embarked on a program of military aid for them which will enable each country to build up its own base for defense.

Relations with Pakistan and Iran remain very friendly, U. S. officials report, but there is no mistaking the disappointment there, and the result is likely to be a weakening of the military strength planned for that area.

Other hot spots. Troubles, present and potential, appear elsewhere as well.

Arab feelings against Israel are high and rising, can turn against U. S. bases at Tripoli in Libya and at Dhahran in Saudi Arabia. Communists now are doing everything they can to convince the Arabs that the United States is on the side of Israel and thus must be treated as an ally of the enemy.

While there has been no overt threat against the U. S. base in Saudi Arabia, U. S. civilians working in that country find that, in many ways, they are under more restraints from the Saudi Arabian King than they were just a few months ago.

Iran is sending up trouble signals that are more serious. An agreement with that country is being sought for a defense pact, involving Turkey and Iraq and encouraged by the U. S. But Iran so far appears unwilling to swing clear over to the side of the West.

Reds courting the Shah. Russia has invited the Shah of Iran to Moscow for "friendly" talks, is working hard to keep the Iranians out of any firm Western alliance. Moscow recently paid off in full a long-standing debt of 14 million dollars in gold, and agreed to settle an old border dispute.

Agents of the Kremlin, meanwhile, hint that if Iran signs the defense pact with Turkey and Iraq, the old border troubles with Russia might start up again, Russian trade deals might be canceled, and the Communist-run Tudeh Party might start stirring up trouble again in Iran.

The big British base at Suez in Egypt is, meanwhile, eliminated from the defense perimeter. That base is being evacuated at this time, and the British troops there are moving to Cyprus—or home in England. There is a written agreement that the British can return under some circumstances if trouble starts, but the future of that agreement is so uncertain that American officials are not counting Suez available on a long-term basis.

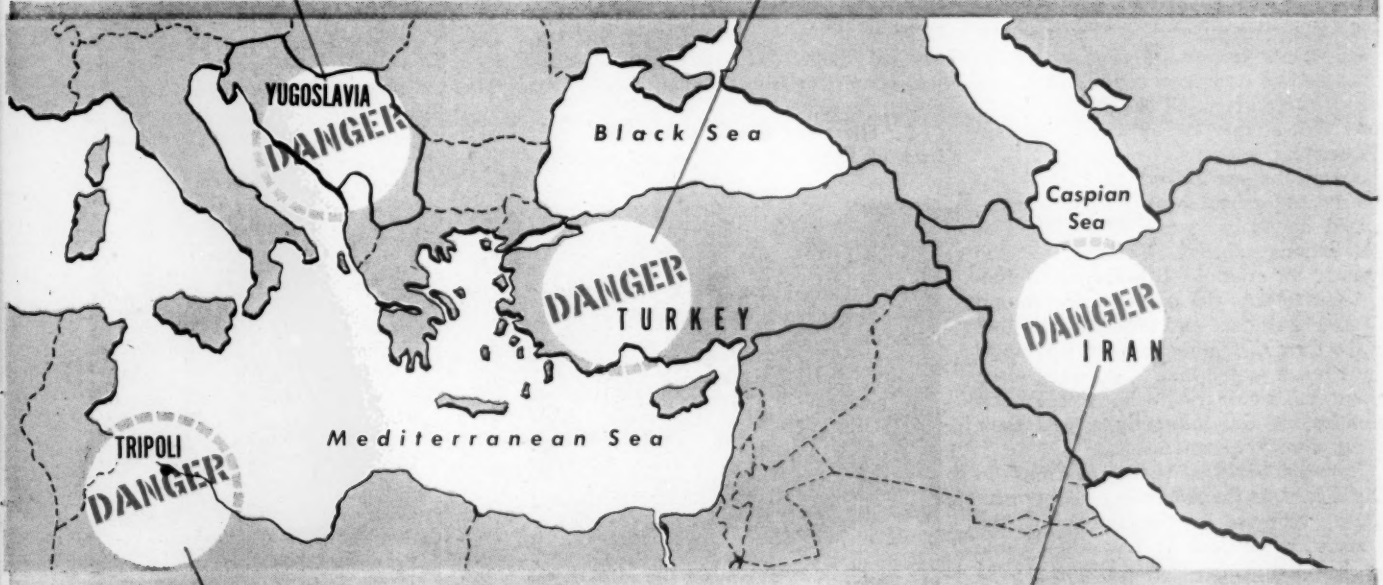
The trouble sources. Behind these worries that are cropping up all along the 4,000-mile network of U. S. and Allied bases, U. S. officials on the spot believe, are three disturbing factors. As these officials explain what's going on now:

1. Communist agents are doing everything they can to connect the United

SIGNS ARE APPEARING IN WEST'S DEFENSE LINE

YUGOSLAVIA: Uncertainty over Marshal Tito weakens Balkan defenses against Russia

TURKEY: A major ally cannot finance her own defense, and U. S. aid is tapering off



TRIPOLI: Arab unrest in North Africa could jeopardize a key U.S. air base here

IRAN: Russians using threats and persuasion to keep Iran from joining up with the West

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[continued]

THREATS TO U. S. OVERSEAS BASES

—Wide World

AMERICAN BASE IN NORTH AFRICA
A stray shot could set off a fire

States, in the Arab mind, with French "colonialism."

So far, Arab disturbances in the part of North Africa where the U. S. has air and naval bases have not taken an anti-American aspect, but there is no telling what may happen under the riotous conditions prevailing. "Incidents" could cause a crisis. At this time, a casualty among the thousands of American civilians in Casablanca could touch off serious trouble. A stray shot around the air bases could do the same.

Americans are linked to French authority in several ways. Crimes committed by Arabs against U. S. forces or installations all are handled by the French, for example. If a French Moroccan native cuts the barbed wire around an American base and takes off with loot in the form of lumber or tools, it is up to the French to try him. The Arabs often resent the summary methods of French punishment and indirectly extend their anger upon the Americans.

But what concerns U. S. forces most, in this regard, is the presence of American-made weapons in the hands of the French. Regardless of how they came into French hands—whether from NATO stocks or arms gifts going back to World War II—they tend to lend support to the Communists' propaganda that the U. S. favors French colonialism.

2. At the same time, Communists are spreading the idea all through the Middle East that the U. S. favors Israel against its Arab neighbors. Right now, this merely creates suspicions. The big danger concerns what would happen in this part of the world, where Arabs predominate, if a crisis developed over the Israeli-Arab issue.

Feelings in the Israeli-Arab feud are especially strong in Libya and Saudi Arabia, where U. S. has important bases of its own. The Arabs in French Morocco also are affected by the feud, and no Moslem country is free of emotional feelings about the matter.

3. The third basic factor is the cutback of U. S. aid now. Several countries are feeling the effects of curtailed U. S. assistance, and have had to trim their defense plans accordingly. In some, such as Turkey, the U. S. is trying to get local authorities to adopt some reforms to check growing inflation and put local resources to more productive use—but with little luck thus far. Troubles in this direction, as elsewhere, are still in the development stage, but could become serious if present trends follow through.

Troubles have Red roots. All in all, it is a worried and menaced defense chain that now runs from French North Africa along the Mediterranean, up into Yugoslavia, across the Arab world and over into Iran. Spain, a key anchor on the West flank, is still far from ready to help out.

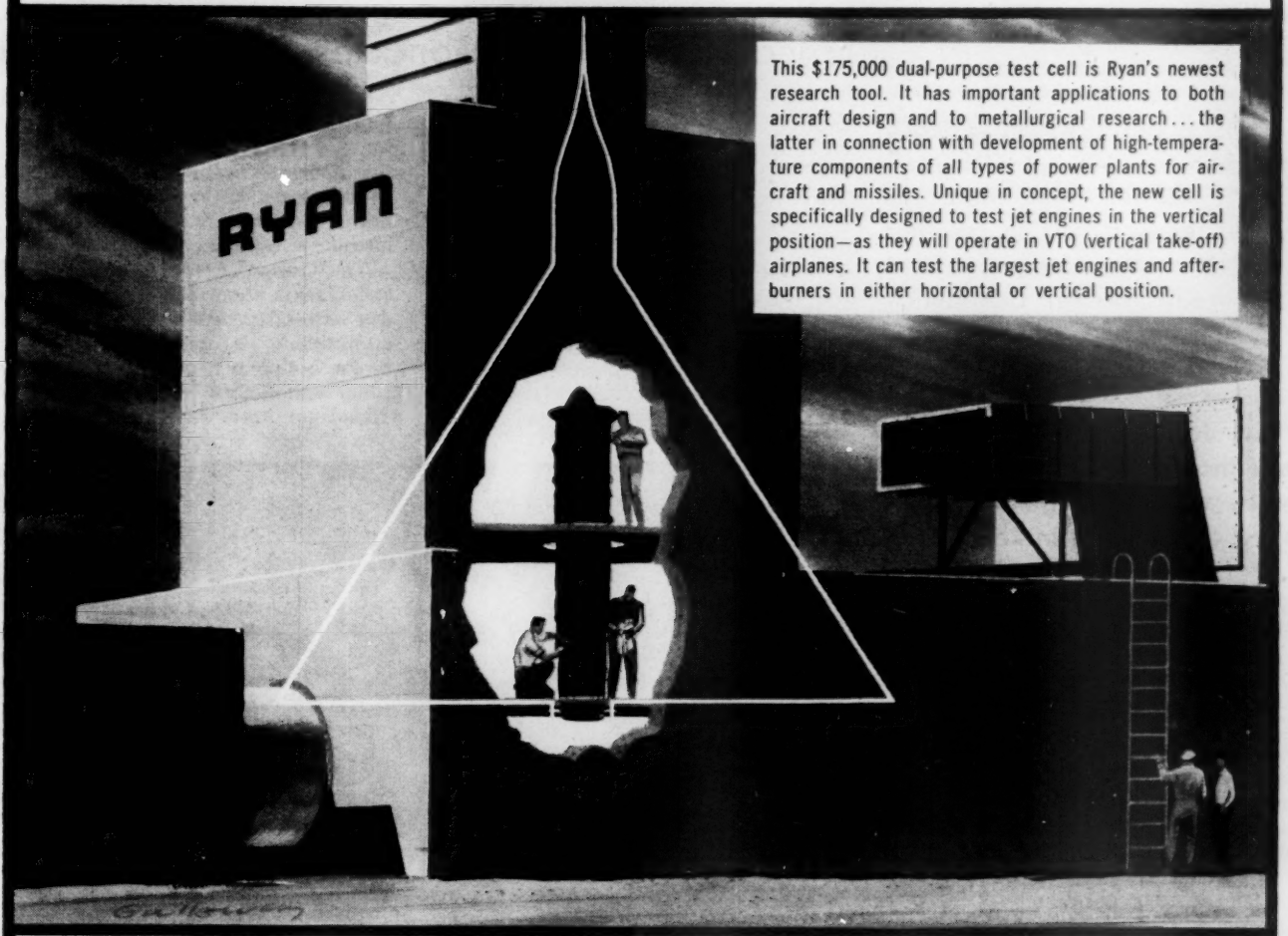
Behind it all appear the Russians, promoting their "neutralism" idea in a widespread effort to undermine Western defenses. They are urging Iran to "stay neutral," apparently with some results. They are making the same appeal to Tito. They are working hard on Egypt, in the same vein. And they are busy "warning" the Arab world against alliances with a U. S. that "favors" both colonialism and Israelis.

Russia's strategy, as it comes to light now, is not geared to actually winning allies over to the side of Communism. Instead, the main offensive in this part of the world is designed to keep other nations from signing up with the West. As Moscow sees it, that's just as good—if it works—since it could leave massive gaps at key spots along the West's 4,000-mile defense line.

—United Press

NATIONALIST RIOT IN MOROCCO
So far, no anti-American sentiment is involved

PROVING GROUND FOR JET VTO



This $175,000 dual-purpose test cell is Ryan's newest research tool. It has important applications to both aircraft design and to metallurgical research... the latter in connection with development of high-temperature components of all types of power plants for aircraft and missiles. Unique in concept, the new cell is specifically designed to test jet engines in the vertical position—as they will operate in VTO (vertical take-off) airplanes. It can test the largest jet engines and afterburners in either horizontal or vertical position.

Another Example of How

RYAN BUILDS BETTER

This new jet engine test cell is one of many specialized research facilities used in developing the Ryan-designed jet-powered vertical take-off airplane now being built for the U.S. Air Force.

One of the most exciting and unusual aeronautical projects ever conceived, Ryan's jet VTO is a challenging new concept in military aircraft. It is typical of Ryan's forward-looking research, development and production program in aircraft—in power plants—and in electronics.

For thirty-two years Ryan has been in the forefront of aeronautical progress. Specialized, ingenious and versatile, Ryan excels in the ability to create and produce complex, high quality products at low cost—and deliver them on time.

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ROCKET MOTORS & RAM JETS

AIRCRAFT EXHAUST & DUCTING SYSTEMS

How Reds Tortured U.S. Prisoners

Freed Fliers Tell of Manacles, Beatings, Hunger

Chinese Reds are talking peace now, but—

U. S. airmen they held as "spies" knew them in another mood. Beatings, hunger, torture were daily fare in Communist jails. Reds used physical and mental abuse to force "confessions."

The full story is coming out now that the men are freed. It shows what 11 Americans endured as prisoners in Red China.

TOKYO

Only now are most Americans learning in detail the extremes of torture the Chinese Communists will use to force what they want from their captives.

The Chinese Reds suddenly are talking "peaceful coexistence" with the U. S. and "lasting friendship" between the American and Chinese people. But you get a far different picture when you get the details of what 11 American airmen said in Tokyo just a few hours after their release from Red China's jails. These details have not been widely published in the U. S. heretofore. They show how the Communists can switch at will from undisguised brutality to expressions of friendliness.

A new code of conduct for war prisoners, announced by the Defense Department, is intended to help U. S. servicemen survive the ordeal of imprisonment without breaking down. But at least one American officer who has been through the experience is convinced that the Communists can break any prisoner they choose if they take the time and effort to do so.

Col. John K. Arnold, Jr., senior officer of the 11 airmen, was as gaunt in person as his photographs pictured him to be when he stepped over the China border to freedom. A shaken and torn man, he obviously carried a burden of terrible memories that was almost more than he could bear.

A colonel screamed. Colonel Arnold, talking to newsmen in Tokyo, spoke calmly of solitary confinement and interminable interrogation. Yet, when he mentioned further ill-treatment—"types of persuasion that civilized people don't . . . don't . . . don't believe anybody would do"—the memory of his experiences choked him. At one point, when he almost broke down, he muttered angrily to himself: "I got it. I got it. I'm all right. I'm not going to give you a break." His words appeared to be meant for his captors. He apparently felt that if his memories could break him down it would be another victory for the Reds.

The colonel's story, corroborated by fellow crewmen, indicated that the Communists saved their heavy pressure for Colonel Arnold. He was in "solitary" for 30 long months. He lost 40 pounds.

Arnold's Communist guards also used rods of different sizes to beat him. All these tortures were carefully calculated to leave no lasting mark—no cigarette burns, no scars, nothing except in the haunted eyes of the victim.

The Communists were coldly methodical. They concentrated on Colonel Arnold day after day, week after week, month after month. It appeared that he never broke completely. He made only minimum concessions. But bits and pieces added up until the Communists had a

—United Press

11 U. S. AIRMEN WALK TO FREEDOM
Colonel Arnold is in foreground (left)

As the highest-ranking officer in the group, he got the full treatment—such as wrist manacles, tightened to cut off most of the circulation in his hands. As Arnold said: "It wasn't so bad when the officers were around. But when they left, the guards would come around and milk my fingers as if I were a cow. I screamed."

No marks showed. Then there were the foot bindings, drawn tight as for a sprained ankle. The colonel was forced to stand for hours, suffering almost unbearable pain because of the straps on his feet. Then the straps were removed and he was forced to remain standing. Only those who have experienced it could decide which pain was more exquisite—that felt when the feet were imprisoned or that felt when the blood rushed back into the agonized toes.

Starvation technique. Meanwhile, the Communists had been "preparing" the other prisoners—by putting them in solitary confinement and keeping them on meager rations. One man itemized his day's menu. To anyone who has ever tossed half a dozen peanuts into his mouth, it may come as shock to know that the main dish described by this prisoner was "about 10 half-peanuts."

It was to these men that the Communists carried their "Arnold statement." The crewmen were approached more or less in order of rank. By the time the Reds had worked through the officers—heightening one statement, making another more definite, etc.—the airmen were signing statements that their plane had invaded China to bring arms, ammunition and radio statement—one of innuendo and inference that he still is not sure he signed.

equipment to anti-Red guerrillas and saboteurs. The men signed because they believed, from what they saw, that their officers had confessed to such things.

Maj. William H. Baumer, second in rank to Colonel Arnold, had been wounded by Communist shells before he parachuted. He lost a great deal of blood on the way down and then suffered frostbite while spending the night helpless on a frozen hillside. He spent eight months in a Chinese hospital before being sent to prison with crutches.

A major's ordeal. The Communists punished most of the men by forcing them to stand for hours on end. For Major Baumer they devised a different ordeal. They took away his crutches.

Major Baumer was the only man of the 11 who signed nothing for the Communists. And he was almost apologetic over his successful resistance. He explained that he had not been exposed to much pressure "because of my physical condition." At this point Colonel Arnold interjected: "You should all clap for that man."

The ill-treatment of the officers made a lasting impression on Colonel Arnold. His appearance proves that he did not give in easily to the Reds—yet his experience was such that he is convinced the Communists can get any information they want from any prisoner, if they decide to make the effort.

Reds don't always win. There are a few exceptions on record, however. One American captured on another occasion apparently gained strength as he resisted his Chinese torturers.

At one point, this man was seated on a stool surrounded by Chinese torturers. He made up his mind he would end the session still seated on the stool. His captors beat him unmercifully, but every time he was knocked off his awkward seat he picked up his battered body and painfully climbed back.

This went on for hours. Finally he blacked out. When he came to, the prisoner found himself still huddled on the stool—all his interrogators gone, a single brilliant light still glaring into his bloody face.

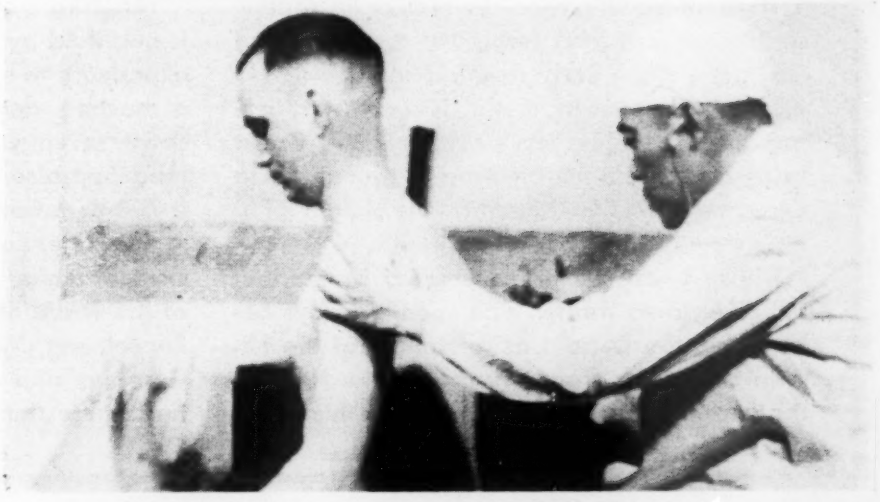
Lasting effects. American officers who talked with Colonel Arnold on his way home after he was released by the Reds say it will take a lot more than a few blueberry pies and thick steaks for the colonel to recover from his terrifying experience.

Another Air Force officer, taken prisoner by the Chinese, went back on duty recently after two years of mental and physical rehabilitation in the U. S. This officer told a friend:

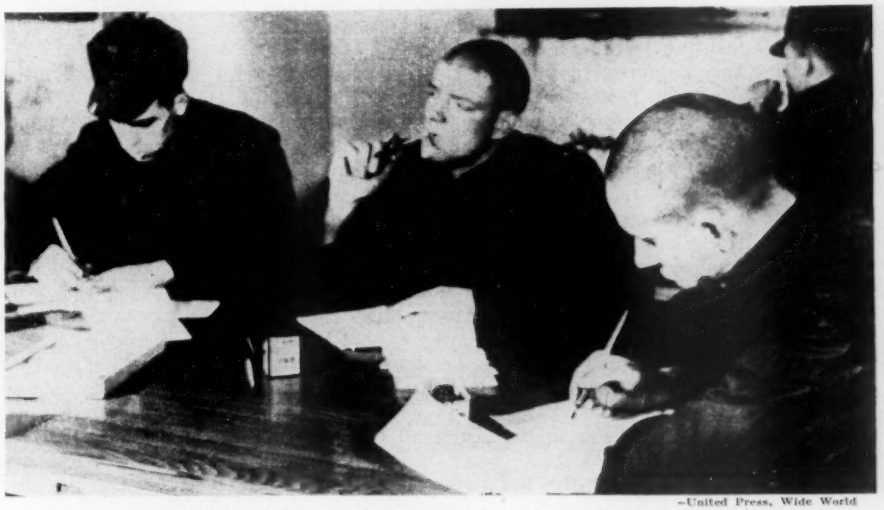
"They say I'm rehabilitated now. Sure I am, on the outside. But inside, I'll never be the same. Part of me is dead."

THESE WERE THE PROPAGANDA PHOTOS . . .

THERE IS FOOD IN THE PICTURE, BUT THEY STARVED



MAJOR BAUMER GETS CHECK-UP—FOR THE CAMERA



—United Press, Wide World

WRITING LETTERS: THE REDS WANTED "CONFESSIONS"
Tortures were calculated to leave no physical signs

Interview with A MEMBER OF U. S. GROUP THAT TOURED RUSSIA

Herbert W. Pike, of Whiting, Ia.

WHAT'S WRONG WITH RUSSIA'S FARMS

As an American Farm Expert Saw It

Here, in the uncensored words of an American farmer just back from Russia, you get the real story of the Reds' farm dilemma.

Is there hunger in Russia? Is revolt smoldering among the landless peasants? Will a dust bowl result from the plow-up of grasslands in Central Asia? Can Khrushchev's dream of a Russian corn belt become a reality?

These questions are answered by Herbert W. Pike, Iowa farmer who spent 36 days behind the Iron Curtain as a member of the 12-man U. S. farm group touring Russia. He took the exclusive pictures that illustrate his story.

Mr. Pike was no mere tourist in Russia. He is qualified by both professional and practical experience to evaluate what he saw. He holds a master's degree from Iowa State College, spent seven years as a farm manager and land appraiser. Since 1946, he has operated a 700-acre farm near Whiting, Ia.

The interview that follows was actually started behind the Iron Curtain. Two members of the Board of Editors of *U. S. News & World Report* met Mr. Pike in the Soviet zone of Germany and accompanied him to West Berlin, where the interview was completed.

At BERLIN

Q Mr. Pike, did you notice any feeling of hope in Russia or did people feel they were on a dead-end street?

A They very definitely feel that they are going someplace and that they really have gone places already. Back in the days of the Tsar they were an unorganized, illiterate country with no industry and a history of failure in war and peace. Now, from the beginning of Communism, everything in their country has progressed.

I came to the conclusion that the best way to understand morale in Russia is to think of the whole country as an army. We in the United States at various times have given up our freedom and our individuality for the good of the national cause in wartime—by entering the Army. Most Americans who did Army service realize that an army cannot be organized on democratic lines. There can be democratic civilian control at the top. But once you get into the Army you are in a dictatorship.

Well, in Russia they are in the Army all the time—on a coeducational basis.

Q Did you gather that the Russians pretty much accept this idea of living in the "Army" all their lives and of working for the national good rather than their own individual happiness?

A Yes. Those Americans who think there is going to be a rebellion in Russia and that Communism is going to be washed out tomorrow are engaging in purely wishful thinking. The younger generation hasn't known anything else and they've made progress under this system. I think the best we can hope for is an increasing interchange of ideas with the West that may ultimately result in a progressive increase in freedom in Russia.

It is hard to compare the Soviet system of agriculture to any kind of farming we have known in America—even the old plantations of the South. Farm life in Russia particularly is like living in the Army.

As I visited Soviet farms I couldn't help thinking of life in the Army, not so much the wartime "Let's get it over with" Army as the old peacetime Army that I knew as a Reserve officer in the '30s when we were still using horses.

The Army brick stables were comparable to the cow stables on the collectives. The horses were tied on a picket line.

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Fields Too Big, Efficiency Too Low . . . Poor Climate Hurts Some Crops . . . But Things Are Better Since Stalin's Death

They made a great ritual about going out into the field, taking the kitchen with them, rather than having enough cars to come home at noon.

Q You covered a good part of the Soviet Union in your tour. Did you see any signs of anti-American feeling or anti-American propaganda?

A We saw some posters in a resort town down on the Black Sea, which they probably hadn't had time to paint out before we got there. One poster showed Uncle Sam as an ogre with an atomic bomb in one hand and handing Western Germany an ax with the other. Another showed Uncle Sam using Syngman Rhee, Chiang Kai-shek and Bao Dai [leaders in South Korea, Nationalist China and South Vietnam] as rungs in a ladder to walk over Asia. But that was about the only evidence I saw. The people themselves were very friendly.

Q Then the years of anti-American propaganda by the Government don't seem to have instilled hatred of Americans in the people you met?

A No, they are very curious about Americans. Many Russians have never seen an American, and we were the first large delegation to go through the country in some time.

Q Did you ever ask them why they launched aggression in Korea?

A I didn't put it quite that bluntly. But I know the explanation they are giving the people is that South Korea invaded North Korea and the Chinese, with the aid of Russian technical help, went to the defense of North Korea.

Q Did you find that the Russian people believe that?

A The people have no other explanation. They have only one source of information.

Q Did you see any signs that the Russians are preparing for war?

A No, we didn't.

Q Did you see troops around very much?

A No more than in our country. You see soldiers on leave in the cities.

Q Did anybody try to convert you to Communism while you were there?

Q No, I can't say that they did, or that they would have been successful if they had tried.

Q Did you hear anyone mention their recently announced reduction of 600,000 in the Army?

A Yes, they made quite a propaganda point of that. The day it was announced, they said that was the reason they were getting more people on the collectives. We thought that was getting them home pretty fast.

Q Did you get the impression that the Russians are antagonistic toward the United States, that they would like to wipe out capitalism?

A No, I think very definitely the people, especially those in the Ukraine and other areas that were devastated in the last war, want peace, at least a generation of it.

Q You said there was a lot of peace talk, that everywhere you went the people were talking about peace. Did that peace talk seem to be organized by the Government?

A It seems that the Government exploits the desire for peace. The Government talks about peace to stimulate the people to work and not give up in the anticipation that they are getting ready to go through another war.

HERBERT W. PIKE

Q In the United States, especially now with farm income falling, you hear a lot of farmers cuss the Government because things were not going right—

A I didn't hear anyone cussing the Kremlin, but you can get shot for treason in Russia and treason is very loosely defined. You wouldn't cuss the Government unless you were sure you wouldn't be heard.

Q How was your tour of Russia organized, Mr. Pike? Were you free to visit any farm you selected, or were you just taken to model farms, show places?

A Our tour was pretty well chaperoned. We were obligated to visit the farms selected for us. The collective farmers usually had prepared a meal and we couldn't disappoint them. When there was enough time, on one or two occasions, we dropped into other farms unannounced. We found no significant differences, except that, when we were expected, the farms had been polished up somewhat.

Q You think you saw typical farms?

A We probably saw the better-managed farms, mainly, rather than the problems. But I don't think we saw show places, entirely.

Q Did you get a chance to talk to the farmers or just to the local leaders?

(Continued on next page)

. . . "Food is expensive, particularly meat"

A Quite often we talked to ordinary farmers as they worked, or we asked to visit their homes. We found them very friendly, very interested in showing us their homes, but not too eager to talk on controversial subjects.

Q Did you find there is an agricultural crisis in Russia?

A No, I didn't. You mean, I presume, a shortage of food and people going hungry.

Q Yes. Did you meet anyone who didn't have enough to eat?

A Well, certainly not in the areas in which we traveled. Of course, I can't say we were able to make a detailed survey of what the average peasant or worker gets to eat. But we were invited to several farm homes and they seemed to be very liberal with the food they had.

Q What was the appearance of people in the cities? Did any appear hungry?

A I thought they looked well fed. You don't see signs of undernourishment as, for example, in China after the war. Children seemed particularly well cared for. The nurseries we visited seemed to serve a double purpose. They enabled women to work and they also enabled the state to feed the children a superdiet.

Q If people aren't hungry and there seems enough food to eat, why is there all this talk by the Russians about a crisis in agriculture?

A They want to get a better and more varied diet, something besides bread, potatoes and cucumbers. They want to get more meat in their diet.

There was scant rainfall in the Ukraine last year and poor crops, and possibly that contributed to the impression. But I don't think there is anything you really could call a "crisis."

Q Are any other foods in short supply besides meat?

A Oh, of course fruits and vegetables in the northern part of the country are very short in wintertime. They don't have the distribution system for food that we have, the refrigeration cars and freezing equipment. They have trouble shipping milk to the cities. They just can't move fresh food long distances as we do.

Q How does the meat shortage manifest itself? Is there usually meat on sale in stores and markets? Or does meat just appear from time to time and produce a run on the stores?

A It's a matter of budgeting. Food is expensive, particularly meat. Diet of Russians is limited by the money they have to spend. There may be shortages from time to time in the state stores. But then meat is available in the open-air markets at a somewhat higher price. A Russian who is well paid and has the money to spend can live very well.

Q What does meat cost?

A Here are some typical prices which I noted in a peasant market in Odessa: Salted fat pork was 35 rubles a kilogram, while lean beef was 20 rubles. Butter and cheese cost 45 rubles a kilogram. [At the official exchange rate of 4 rubles for $1 these prices would be: Salted fat pork, $4 a pound. Lean beef, $2.23 a pound. Butter and cheese, $5.10 a pound.]

Q Does the rapid population growth in Russia have anything to do with the talk of an agricultural crisis? Does it look as if they will have more and more trouble feeding their growing population?

A They told us that their population growth is about 3 million, or about 1½ per cent, a year. They may have trouble

The uncensored pictures of today's Russia that accompany this interview were taken by Herbert Pike during his Soviet farm tour that ended on August 21.

HARVESTING SPRING WHEAT IN THE "NEW LANDS" OF KAZAKHSTAN
"Their farms are too big. Some of the machines are too big"

. . . "Soviet farming suffers from the curse of bigness"

increasing their food supply at that rate and improving the quality of the diet at the same time.

Q Do you think the Soviet Government may be creating a crisis atmosphere in order to get certain things done?

A That's a possibility. They certainly spare no propaganda to get food production going. And they also use the food campaign as an incentive to get factory labor to work harder. In a tractor factory, for example, I saw huge graphs showing how much meat production had increased and how much there would be by 1960. Along the roadside you see giant posters recruiting people for the "new lands" in the east, just as we recruit for the Navy. On the farms you also see these poster graphs about the new food goals.

Q From your experience as an American farmer, what would you say was the biggest thing you found wrong with farming under the Soviet Communist system?

A Soviet farming suffers from the curse of bigness. Their farms are too big. Their fields are too big. Their labor force is too big, as is their supervisory staff. Some of their large self-propelled machines are too big. To sum it up, I would say that they needed less large self-propelled machinery and more self-propelled farmers.

Q Why do you say the farms and fields are too big?

A Well, of course, small fields and patch farming is one of the curses of Western Europe. We all know that. The Russians have eliminated that problem by collectivizing their farms and throwing it all into large fields that can be worked by machinery. But I think from my own experience that you can get a field too large.

For instance, I don't want a cornfield longer than half a mile. You start with an empty wagon at one end and you want to get back before it gets full. With very large fields you are apt to get different soil conditions within the field which should be handled differently. Some of the Soviet fields run as much as a square mile. In the new-lands area we were told of a field which was three miles long.

Q Why don't we have much bigger farms in the United States?

A If big farms were efficient, I'm sure we would have a lot of them in the United States. In America, we always go to bigness when bigness is efficient. You see that in industry. But it never has seemed to work out well in farming except in some specialized crops such as vegetables.

One of the things you can't have in agriculture is controlled working conditions. You have to keep adapting your plan to the weather and changing it almost daily. Another thing you have is a tremendous surplus-labor peak in winter and off seasons.

In the United States, if industry were doing the farming you would have very high labor costs, food prices on a cost-plus basis and the consumer would have to pay much more for his food than he does now.

Q How big are Soviet farms compared with those in the United States?

A We visited a collective farm near Krasnodar in the Kuban region east of the Ukraine where there were 2,900 families, 4,000 able-bodied workers and 44,000 acres of farm land. It was a combination of seven former collectives.

Talking to the farm chairman, I said "I am a farm manager, too, and there are various problems that intrigue me. What is your biggest problem in management?"

He said, "Communication with my brigades. But, when we get the telephone system installed, that will all be solved."

I asked, "Is it ever hard to keep 4,000 workers busy?" He replied, "No. No trouble at all." Of course, he isn't paying as much for labor as we are.

Q What is the optimum size for a farm in the United States?

A I think our average farm in Iowa runs around 200 acres. In fact, it's built around the family enterprise. You get great flexibility in a family enterprise and family-size farms. A

(Continued on page 80)

KUIBYSHEV FARMSTEADS, WITH SILOS IN THE FOREGROUND
"They are going overboard on corn and trying to grow it in unsuitable regions"

BUSINESSMEN IN GOVERNMENT— THE WAY THEY FARE IN BRITAIN

Proposals now are being made that Congressmen as well as Cabinet officers be required to sell their business holdings.

That idea is drawing attention to the way the British deal with "conflicts of interest"—an old story to them.

Britain's Cabinet rules are strict, and enforced. But a Member of Parliament can do about as he pleases, where business is concerned.

LONDON

The warm discussion in Washington about Government officials' having outside ties to private business sounds familiar to Britons. They have had to deal with the same problem in the past.

In Washington, Air Force Secretary Harold E. Talbott resigned after revelation of his participation in a management engineering firm while in public office. Secretary of Commerce Sinclair Weeks has issued rules to guide his employes in their business relations. Now there are suggestions in and out of Congress that the standards applied to officials of the executive branch be applied also to members of Congress, and that members be not permitted to vote on matters in which they have a personal interest.

All of these developments are raising questions about how the British Government manages to draw a line between an official's public duties and his private business interests.

It works—not foolproof. Here, a set of procedures has been evolved that seems to work fairly well within the framework of the British system. Cabinet officials and Members of Parliament say the plan is not foolproof. Embarrassing charges bob up now and then. But, in the main, Britain is fairly well satisfied with the way it handles the problem of a conflict of interests.

In Parliament—as in the United States Congress—there is no ban upon the outside business interests of a Member. As a matter of fact, it is generally expected that Members of Parliament will get most of their income from other sources than their parliamentary pay. Where a Congressman gets $22,500 a year, the pay of a Member of Parliament is $2,800 a year, and a good many parliamentary expenses have to be paid out of this.

Thus, the theory in Britain is that the real profession of a Member of Parliament lies outside politics. Service in Parliament usually is regarded as a part-time job.

Of the 630 Members of the House of Commons, about a fourth are directors on the boards of companies or proprietors of businesses. Sometimes they take their parliamentary work home with them and write Government letters on the stationery of their business firms. A fifth of the Members of the House of Commons are writers, farmers or professional men. Among the Socialist Members, at least 98 get income from labor unions.

Aid from constituents. It is regarded as a breach of privilege for a Member to receive money to promote action for or against any particular measure in Parliament, but it has long been common knowledge that Members do get financial assistance from their constituents. As far back as 1913, Parliament legalized campaign help by labor unions on the ground that, otherwise, manual workers might not be able to voice their views in Parliament.

One rule that is followed is to give plenty of publicity about the source of income of various Members. On an issue affecting an industry in which a Member has investments, he is expected, if he speaks in debate, to make clear his personal interest in the matter. Before voting, a Member sometimes rises to a point of personal privilege to explain his position.

On broad issues such as taxes and matters that affect all individuals and businesses, Members of Parliament with private interests regard themselves as in the same boat as everyone else. They vote their minds, accordingly.

The British feel that, rather than run the risk of developing a class of professional politicians, they would prefer to have men in the House of Commons who have had or are getting useful experience from their professions, trades, investments, lands or businesses.

The same is not true of Cabinet officials, who are chosen by the party in power from among Members of Parliament. Once a Member of Parliament moves into a Cabinet post, he is expected to confine his working activities to his Government duties. The pay range of the 75 Members of Parliament who go into Cabinet or sub-Cabinet posts is from $7,000 to $14,000 a year.

Unlike the U. S. system, there are no Cabinet appointments from business or the public at large. The way to a top

—Combine

IN THE HOUSE OF COMMONS . . .
. . . pay is low, and most have outside incomes

Should Congressmen Be Permitted to Have Outside Business Ties?

The question whether members of Congress should be forced to divest themselves of private-business interests was raised in a speech in Chicago on August 9 by Clarence B. Randall, steel manufacturer and a former economic adviser to President Eisenhower. Mr. Randall said:

"If Congress is going to require a man, who at great sacrifice sets out to serve his country, to eliminate all possible conflicts of interests, then Congress should apply the same principle to its own members . . .

"One Congressman who made a fortune in oil led the move to exclude import of Venezuelan oil into the United States. Another, who is a principal supplier of materials to the Army, votes on issues that affect his own pocketbook.

"Not all businessmen in Government have measured up. Some of them have promoted intolerance and damaged both business and Government. But requirements of businessmen should also apply to Congress.

"Ask Congress to eliminate the double standard. Let them walk up to the barrelhead, divest themselves of their private holdings, or disqualify themselves from voting on issues that affect their purses."

place in Government in Great Britain is through Parliament.

Rigid rules. Upon entering the Cabinet, an official becomes subject to a rigid code of conduct, so far as his business relations are concerned. This code has evolved over a long period. It was largely unwritten until four years ago when Sir Winston Churchill, then Prime Minister, put it into a formal directive.

Main points of the code go like this:

1. Cabinet officers must resign any directorships in corporations and get rid of any stock in companies doing business with the Government. They are expected to put their money into land or Government bonds. Only rarely may a Cabinet member hold on to a family company in order to preserve an estate.

2. In all cases, even of real estate holdings, the Cabinet member must notify his colleagues of his holdings and refrain from taking part in any Government action that may affect his property. This applies even to membership on the board of a philanthropic body that may be involved in dealings or disputes with the Government.

3. There is an explicit ban against making speculative investments that might be influenced by inside information about Government actions. In case of doubt as to the ethics of any Cabinet member's actions with respect to business, the question is put up to the Prime Minister for decision.

Embarrassing incidents. The Prime Minister usually can find plenty of precedents for his decisions. More often than not, they rest upon the outcome of some embarrassing incident of the past.

The late J. Ramsay MacDonald, when Prime Minister, was reported in 1924 to have paid $5 for stock worth $150,000. The shares came from a manufacturer whose name showed up at about the same time on a list of individuals recommended by the Prime Minister for knighthood.

MacDonald and the manufacturer explained that the stock transfer was a temporary one from which the dividends would buy a private car for the Prime Minister. He did not own an automobile. The knighthood, it was explained, was being given to the manufacturer because of gifts he had made toward establishing libraries. MacDonald's colleagues accepted the explanation.

Between 1923 and 1929, there was political agitation about a party campaign fund raised by David Lloyd George, the Prime Minister during World War I. It was charged that contributions to the fund had been made in exchange for knighthoods. No inquiry was ever made into the charges.

In the late 1940s, when the United States was hearing testimony about gifts of mink coats and food freezers to Government officials, Great Britain's Labor Government got involved in similar charges. Several members of the Government were accused of accepting a few suits and a few bottles of liquor to influence action toward relaxing industrial controls in favor of businessmen.

As a result of the inquiry, two men were censured, one of them the Parliamentary Secretary to the Board of Trade, the other a Socialist Director of the Bank of England. They resigned from all of their official posts. All others in the case were exonerated.

In 1936, another inquiry dealt with charges of an advance leak of budget information to financiers who planned to speculate on the market. It resulted in the resignation of the late J. H. Thomas, a Socialist Minister, and put an end to his public career.

Respect for code. For the most part, Cabinet members and their aides are extremely careful to abide by the code. It would be regarded as unethical for a Chancellor of the Exchequer, who is charged with the duty of devising tax and budgetary legislation, to be an active businessman at the same time.

Sir Anthony Eden was careful to sell his oil stocks when he became Foreign Secretary several years ago. He did not want any possible conflict of interest in his work of trying to settle the Iranian-oil dispute. After he sold his stock, the prices went up.

An ordinary Member of Parliament may be a director and a large stockholder in a company with overseas holdings and treat this as perfectly ethical, even though he helps to make laws dealing with foreign trade. But, if this Member should be appointed Colonial Secretary, Foreign Minister, or President of the Board of Trade, he would be expected to sell his holdings.

Here, as in the United States, the lawmakers fix the rules of conduct both for themselves and for Cabinet members. And they look with more leniency upon themselves than upon Cabinet members.

For Secretary Weeks's rules of guidance for Commerce Department employes in their business connections, see page 67.

WHY MILITARY IS LOSING OFFICERS

Higher Pay in Civilian Jobs Attracts Many

A BRIGADIER GENERAL resigned to become vice president of a firm making engine parts. As the officer largely responsible for managing the U. S. Air Force's multibillion-dollar procurement program, he drew $11,608 a year in military pay. Now, as an executive in industry, he draws an income more than five times that high.

A Navy captain last week did the same thing. Long a career officer and within sight of admiral's rank, he resigned from a job paying $9,734 where he was in charge of thousands of civilian specialists to take a better-paying civilian job with a small engineering firm in Florida.

Two Army Engineer officers, both Regular colonels, left their chosen careers to take jobs in civilian life—one with a major construction firm overseas, the other with a concern building dams in the Western part of the U. S. Both got substantial increases in pay.

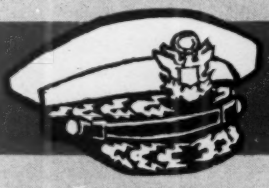
Career men at the management level in the armed services, in fact, have been resigning at a near-record clip, often leaving to take advantage of higher executive pay in industry or even to take civilian posts in Government.

Rate of loss. At latest count, one and three-quarters times as many Regular officers were resigning their chosen careers in the Army, Navy, Air Force or Marines as were being commissioned into the Regulars by West Point and Annapolis combined.

As a result, it is becoming a major problem for the armed forces to retain their experienced executives. Relatively few of the top generals and admirals have resigned, most of them having considerable time invested in the service now, but the limits placed on top earnings appear to be causing multiple resignations among up-and-coming younger officers.

Air Force colonels with Regular commissions, for example, are resigning in

What The Nation's Top-Level Executives Are Paid—



IN THE ARMED FORCES . . .

Supreme Allied Commander, Europe *(Gen. Alfred M. Gruenther)*	In charge of 12-nation force with 48 divisions of men, plus military equipment costing billions.	$15,316 (Plus allowances of $4,827)
Chief, Air Defense Command *(Gen. E. E. Partridge)*	Guards 10,500 miles of U.S. borders. Has equipment worth $3.5 billion, spends $1 billion a year.	$15,316 (Plus allowances of $6,807)
Chief, Strategic Air Command *(Gen. Curtis E. LeMay)*	Heads main U.S. striking force. Commands 183,000 airmen, 15,000 civilians, in bases around world.	$15,316 (Plus allowances of $6,807)
Chief, Bureau of Ships *(Rear Adm. Albert G. Mumma)*	Runs U.S. naval shipbuilding. Employs 138,000 workers. Yearly budget: $2.2 billion.	$12,916 (Plus allowances of $2,627)
Chief, Army Engineers *(Lieut. Gen. S. D. Sturgis, Jr.)*	Spends $2 billion a year on construction projects, supervises force of 160,000.	$14,116 (Plus allowances of $3,127)
Chief, Army Ordnance Corps *(Maj. Gen. E. L. Cummings)*	Spends $3.6 billion a year. Oversees assets worth $7.5 billion, inventories worth $11.1 billion.	$12,916 (Plus allowances of $2,627)
Commander of Army or Marine division *(major general)*	Responsible for lives of 17,500 men and for equipment valued at $70 million.	$12,916 (Plus allowances of $2,627)

NOTE: Allowances include subsistence, quarters, flight pay where applicable, etc.

sizable numbers to take jobs with civilian airlines, auto concerns, aircraft firms. Even more career Army officers, of major and colonel rank, are leaving to take a wide variety of "middle grade" executive positions. Most of the resignations at this level are from the Navy, with commanders and lieutenant commanders resigning from long careers to go with oil firms, shipbuilding concerns, public-relations organizations.

An even greater attrition seems to be occurring, meanwhile, among the armed services' "junior executives"—young lieutenants and captains.

Close to 2,000 of these younger career officers left the military service for jobs in industry last year.

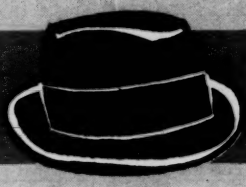
How pay compares. An official study by the Department of Defense indicates how much better industry's executives fare at this time, when measured by dollar compensation alone. Based on actual salaries paid for comparable jobs in civilian and military life, the study shows this:

- Colonels and Navy captains, who now draw salaries of $9,734, find civilian executives with similar responsibilities drawing somewhat more—$14,000.
- Brigadier generals and Navy commodores get yearly pay of $11,608, compared with $24,000 for comparable jobs in civilian life.
- Major generals and Navy rear admirals draw $12,916 in pay now, or less than half of the $30,000 drawn by their civilian counterparts.
- Lieutenant generals and vice admirals, in turn, get $14,116, as compared with $38,000 for the average civilian executive with comparable responsibilities.
- Full generals and admirals show an even greater differential at the top, drawing $15,316 a year—$22,000 if flight pay and all other allowances are involved—compared with a typical $48,000 for civilian executives, and a maximum civilian salary of about $600,000.

Other benefits. In addition, pensions and death benefits are far more generous in private industry, studies indicate. The widow of a general now draws only $69.60 a month if her husband died while on active duty.

Defense officials, concerned over the trend, hope the pay boost of last spring, and efforts to get a raise in widows' and orphans' pay when Congress reconvenes, will help slow the rate of resignations. The traditional incentives for a military career—such as travel, commissary privileges, early pensions, free medical care for dependents, job security, the prestige of rank—are described as compensating for much of the difference in pay scales.

The big question now: In a period of record prosperity, are the old incentives enough to hold good executives in uniform if big-pay opportunities wait "on the outside"?



IN THE GOVERNMENT . . .

Vice President	$45,000
Speaker of the House	$45,000
Chief Justice	$35,500
Member of Congress	$22,500
Federal circuit judge	$25,500
Cabinet member	$22,500
FBI Director	$20,000
Presidential Assistant	$20,000
Under Secretary of State	$17,500
Budget Director	$17,500
Assistant Secretary of a Department	$15,000

IN PRIVATE INDUSTRY . . .

(Average income of three top executives in each firm)

Aluminum Co. of America	$139,000
Allied Chemical & Dye	$ 96,600
Boeing Airplane	$ 82,300
General Motors	$606,500
International Business Machines	$194,500
Radio Corp. of America	$157,900
Standard Oil (N. J.)	$193,900
Sylvania Electric Prod.	$105,300
Union Pacific R.R.	$ 80,500
Westinghouse Electric	$144,100
F. W. Woolworth	$132,400

NOTE: No figures are available on expense allowances of business executives.

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Everybody admits that TV is changing American life. But many ask: Is the influence of this modern marvel all for the good? Or is it creating some new dangers, too?

TV keeps families at home, entertains and often instructs them. But do people spend so much time watching TV that they neglect other activities? Is the education of children suffering? Or is TV a great new educator?

Such questions are discussed in this intensive study by editors of *U. S. News & World Report*. Here you get findings of polls and surveys, opinions of experts. You get, too, in interviews, what TV watchers think.

THE BIGGEST of the new forces in American life today is television.

There has been nothing like it in the postwar decade, or in many decades before that—perhaps not since the invention of the printing press. Even radio, by contrast, was a placid experience.

The impact of TV on this country has been so massive that Americans are still wondering what hit them.

Has the effect been good or bad? What permanent effects on the American way of life may be expected? These and other questions are considered in this survey.

Probably there are some people in the U. S. who have never seen a television program, but you would have to go into the hills to find them.

Two out of three U. S. families now own their own sets, or are paying for them. In 32 million homes, TV dials are flicked on and off, from channel to channel, at least 100 million times between 8 a.m. and midnight.

Everywhere, children sit with eyes glued to screens—for three to four hours a day on the average. Their parents use up even more time mesmerized by this new marvel—or monster. They have spent 15 billion dollars to look since 1946.

Now, after nearly 10 years of TV, people are asking: "What hath TV wrought? What is this thing doing to us?"

Solid answers to this question are very hard to get. Pollsters, sociologists, doctors, teachers, the TV people themselves come up with more contradictions than conclusions whenever they start asking.

But almost everybody has an opinion and wants to air it.

What do these opinions add up to? People have strong views. Here are some widely held convictions, both against and for television:

• That TV has kept people from going places and doing things, from reading, from thinking for themselves. Yet it is said also that TV has taken viewers vicariously into strange and fascinating spots and situations, brought distinguished and enchanting people into their living rooms, given them a new perspective.

• That TV has interfered with schooling, kept children from learning to read and write, weakened their eyesight and softened their muscles. But there are those who hold that TV has made America's youngsters more "knowing" about life, more curious, given them a bigger vocabulary. Teaching by TV, educators say, is going to be a big thing in the future.

• That TV arouses morbid emotions in children, glorifies violence, causes juvenile crime—that it starts domestic quarrels, tends to loosen morals and make people lazy and sodden. However, it keeps families together at home, provides a realm of cheap entertainment never before available, stimulates new lines of conversation.

• That TV is giving the U. S. an almost primitive language, made up of grunts, whistles, standardized wisecracks and clichés—that it is turning the average American into a stereotype. Yet it is breaking down regional barriers and prejudices, ironing out accents, giving people in one part of the country a better understanding of people in other parts.

TV IS DOING TO CHILDREN
. . . WHAT TV IS DOING TO POLITICS
WHAT TV IS DOING TO READING
TV IS DOING TO RELIGION
. . . HOW TV IS CHANGING FARM LIFE
. . . USE OF TV IN EDUCATION

• That TV is making politics "a rich man's game," turning statesmanship into a circus, handing demagogues a new weapon. But it is giving Americans their first good look at the inside of their Government, letting them judge the people they elect by sight as well as by sound and fury.

• That TV has distorted and debased salesmanship, haunting people with singing "commercials" and slogans. However, because or in spite of TV, people are buying more and more things they never before thought they needed or wanted.

These are just some of the comments that people keep on making about TV. The experts say that it probably will be another generation before there is a firm basis of knowledge about television's impact on America.

Today's TV child, the boy or girl who was born with a TV set in his home, is too young to analyze his feelings. Older people, despite their frequent vehemence about TV, are still far from sure whether they have an Aladdin's lamp or hold a bear by the tail.

Goliath with tubes. One thing you can be sure about. TV, a giant at 10, continues to grow like nobody's business. Here are some figures and comparisons:

The 15 billion dollars that the U. S. people have invested in TV sets and repairs since the war is 15 per cent more than the country spent for new school and college buildings. About a billion more has gone into TV stations and equipment.

TV-viewing time is going up, not down, latest surveys show. This explodes the theory that people would taper off on television "once they got used to it."

"Pull" of popular TV programs is believed to be very effective. Pollsters report that three times as many people will leave a meal to answer questions at the door as will get up to abandon "Dragnet."

The number of families holding out against TV is declining to a small fraction. There still are 16 million families without sets, but most of these families either can't pay for sets or else live out of range of TV signals.

On an average evening, twice as many set owners will be watching TV as are engaged in any other form of entertainment or leisure activity, such as moviegoing, card playing, or reading. Seven out of 10 American children watch TV between 6 and 8 o'clock most evenings.

Analysts are intrigued by the evidence that adults, not children, are the real television fans. The newest trend in viewing habits is a rise in the number of housewives who watch TV in the morning. One out of five with a set now watches a morning show with regularity.

What is it? Why do people want TV?

A $67.50-per-week shoe repairman in San Francisco puts it about as plainly as anyone can. "TV," he says, "is the only amusement I can afford." That was the reason he gave for paying four weeks' wages for his set.

The cobbler's comment explains TV's basic lure. It is free entertainment except for the cost of set and repairs and electricity. It becomes so absorbing that a broken set is a family catastrophe. People will pay to have the set fixed before they will pay the milk bill, if necessary.

What does TV do to people? What do people do with TV? The researchers are digging into these questions all the time. In general, they come to theories, rather than conclusions. There are three main theories:

THEORY "A": This is widely held by people whose professions bring them into close contact with juveniles—judges, district attorneys, police officers, ministers. It assumes that TV is bound to be affecting the American mind and character because it soaks up one to five hours a day or more that used to be spent in outdoor play, in games requiring reasoning and imagination, or in reading, talking, radio listening or movie-going.

Even the more passive of these pursuits, the theory runs, required more exercise of brain power than does TV watching. Then, too, many TV programs, the theorists say, are violent or in questionable taste.

Net effect, according to these people, is a wasting away or steady decline in certain basic skills among American youngsters. Children lose the ability to read, forfeit their physical dexterity, strength and initiative.

Some see a definite connection between TV and juvenile delinquency. The Kefauver Subcommittee of the Senate Judiciary Committee has just explored this aspect. It stated:

"Members of the subcommittee share the concern of a large segment of the thinking public for the implications of the impact of this medium [television] . . . upon the ethical and cultural standards of the youth of America. It has been unable to gather proof of a direct casual relationship between the viewing of acts of crime and violence and the actual performance of criminal deeds. It has

CHANGES IN TV PROGRAMS: *What One Study Showed*

(Per cent of program time, New York City stations, typical week in January)

	1951	1954
TOTAL ENTERTAINMENT	**76.2%**	**77.7%**
Crime drama	10.0%	13.5%
Comedies	5.3%	11.1%
Westerns	7.8%	7.1%
Domestic drama	1.1%	1.3%
Dramas of romance, adventure, etc.	8.9%	13.2%
Variety shows	18.4%	11.0%
Sports events	9.4%	3.4%
Quizzes, stunts, contests	7.2%	5.0%
Personalities, music, other	8.1%	12.1%
TOTAL INFORMATION	**23.8%**	**22.3%**
News	5.5%	6.1%
Interviews, weather reports, cooking demonstrations, etc.	18.3%	16.2%
Total program time	**100.0%**	**100.0%**

SOURCE: "Four Years of New York Television," by The Purdue Opinion Poll, Published June, 1954, by National Associations of Educational Broadcasters, Urbana, Ill.

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not, however, found irrefutable evidence that young people may not be negatively influenced in their present-day behavior by the saturated exposure they now receive to pictures and drama based on an underlying theme of lawlessness and crime which depict human violence."

THEORY "B": Mainly held by sociologists, communications economists, pollsters. This is that television is changing the American mind and character, although nobody knows for sure just how. The evidence is too fragmentary.

The analysts are disturbed by some aspects of TV's effect on viewers. Some think TV is conditioning Americans to be "other directed," that is, getting their ideas from someone else. The early American, by contrast, is supposed to have been "inner directed," a man who thought things out for himself on the basis of his own reasoning.

A fancy name for this suspected effect of TV is "narcotic disfunction." This means that more and more men come home in the evening, drop into a chair in front of the TV set after supper and slip into a dream world of unreality.

However, the same researchers confess that TV can have a broadening influence, bringing to the masses a taste of the arts and sciences, a peek into government that they couldn't get any other way.

THEORY "C": This is what the TV people themselves like to think. It is that television is rapidly becoming "one more service" to the U. S. public, another medium such as newspapers, magazines, radio. Some people watch TV a lot, others very little. Most people want a set around, but some don't lean on it.

The TV people minimize the idea that TV is dominating American life. It is almost as if they were afraid their own baby is getting too big. What they usually say is that the people who allow their lives to be controlled by television were similarly dominated by radio and the movies—and that they are only a small minority.

The TV habit. What do the theorists base their theories on? What have they found out about the place of the TV set in American life?

Many studies have been made of the "TV habit." Latest of these indicates that TV viewing reaches a peak just after a set enters a home, then falls off rather sharply. Next—viewing begins to rise again in the average home, building up, evidently, toward a new peak that is not yet measured.

The A. C. Nielsen Company, a market-research organization that attaches mechanical recorders to sets in private homes, finds this: During the 12 months ended in April, 1955, average use per day of TV sets was 4 hours and 50 minutes. That was up 4 per cent over the year before.

Cunningham & Walsh, Inc., a New York advertising firm, also finds set usage rising slightly. This company has kept a history since 1948 of set usage in New Brunswick, N. J. In 1954, it says, average use of all sets was 4⅛ hours per day, compared with 4¼ hours in 1953. Notable was a rise in daytime viewing.

Other studies indicate that women watch TV more than men do. Children, contrary to general impression, watch TV less than adults in the average home. Persons low in income, education or job status as a rule spend more time in front of TV sets than those with more money and education.

What's on TV. What do people get on TV? What do they want?

Three out of every four TV programs are entertainment shows. If anything, the trend is toward a higher content of entertainment and a lower slice of information, as you can see by the program-analyzing chart on page 38.

In a typical week of the peak TV season, in January of last year, crime, comedy, variety and Western shows accounted for 42.7 per cent of all TV program time on New York City screens. News accounted for 6.1 per cent of TV time—about the same share of time as was taken by quiz, stunt and contest shows. Other informational types of TV shows, such as interviews, weather reports, travelogues, children's instructional programs and cooking classes, got 16.2 per cent of the time.

Rating figures tend to show that people are getting just about what they want, in the opinion of the broadcasting industry. According to the "popularity" ratings of top shows, comedy and drama and straight entertainment are outpulling everything else.

What about information? The popularity cards seem to indicate the reaction is a stifled yawn. In a two-week period last June, when two comedy programs, the "George Gobel Show" and "I Love Lucy," were at the top of the list, each reaching more than 13 million homes, the top-ranking informational programs were way down the line. The "March of Medicine," for example, was No. 62, reaching 6.57 million homes; "Meet the Press" was No. 150, getting to 1.14 million families.

Studies also have been made of how long various programs hold their audiences. Love and adventure performances, it develops, will keep about 85 per cent of the audience to the end. By contrast, the most gripping historical sketches hold only 65 per cent, and many hold less than one third of their starting viewers. Informational programs, again, rank near the bottom in "holding power."

Television critics, who write about TV programs in newspapers and magazines, are frequently harsh in their remarks about violence, sadism, bad taste on the screen. However, Dallas W. Smythe, a professor of communications economics at the University of Illinois, analyzed New York City programs for 1952 and concludes that programs which critics liked best seldom drew the biggest audiences.

The public is fickle. Top rating is hard to hold. The viewers tire rapidly of a particular show unless the producers manage to come up with fresh material, new appeals.

WHAT TV DOES TO READING

of Books, Newspapers, Magazines

WITH ALL THIS monumental dial flicking going on everywhere in America, this mass search for evening entertainment on TV screens, what has happened to reading?

There seems to be general agreement that reading declines when the TV set comes into the living room. Studies by various advertising agencies indicate that newspaper reading is affected least; book reading is affected more; magazines of the general-interest and entertainment types tend to lose ground most.

A recent survey on this subject was conducted by the National Broadcasting Company at Fort Wayne, Ind. Here are the findings:

Before buying a TV set, the average person spent 2 hours and 2 minutes a day listening to radio, 39 minutes reading newspapers, 17 minutes reading magazines. After getting the set, the same person spent 52 minutes listening to radio, or less than half the time he formerly spent. His newspaper reading fell off 20 per cent, to 32 minutes a day. His magazine reading declined 40 per cent, to 10 minutes a day.

NBC based this study on 7,500 interviews conducted with typical consumers just before Fort Wayne's own TV station opened, and repeated six months later. The results, therefore, measure the impact of TV in its early stages, but do not show what happens when the viewers have had long exposure to TV.

Long-range effects. The Cunningham & Walsh survey in New Brunswick, N. J., sheds some light on what happens as TV ownership continues. The agency's latest study shows that reading, along with radio listening and movie-going, picks up after a while, even though the amount of time spent on TV also goes up slightly.

There is no really convincing information on the amount of reading done under various circumstances. The Fort Wayne study, for example, shows 10 minutes a day devoted to magazine reading. Yet another and earlier study of reading habits of 33,000 people over the country shows that the average TV owner spent 72 minutes a day reading magazines, the non-owner 89 minutes.

There remain, nevertheless, certain signs of a basic trend towa ' less reading of both newspapers and magazines, according to publishers.

Newspapers reached their highest circulation in history in 1954, after eight years of increasing competition from TV. The growth in readers, however, during the last several years has been much smaller than in earlier periods.

Most big-city newspapers are having trouble holding their circulations. Nighttime street sales, especially, have taken a nose dive.

Magazine publishers are even more concerned about TV. Total circulation of magazines reached 165 million in a typical 1954 week. This was up 1.9 million from the same week in 1953. But here, again, the gain was less than half the yearly increase of earlier postwar years.

Newsstand sales of most magazines are down, although there are individual exceptions. Various publication experts blame some or all of this on TV. Newsstand sales of all magazines averaged 67.4 million per issue in the last half of 1954. That was 1.3 million under the 1952 level.

Americans spent 13 million dollars less for books in 1954 than in 1953, though population increased by about 2.8 million people in the same period. To put it another way: Americans spent about 500 million last year for books. They spent 600 million just to keep their radio and TV sets repaired, in the same period.

TV'S IMPACT IN ONE TOWN

From a questionnaire survey of 1,462 homes with TV and 391 homes without TV in Palo Alto, Calif.—

71 per cent of viewers watched TV sets 1 to 2 hours a day. 20 per cent watched TV more than 2 hours a day. 9 per cent watched it less than 1 hour a day.

Children aged 6 to 10 watched TV most.

224 children, in a group of 500, were reported to be emotionally disturbed by programs they saw. Children under 6 were rarely disturbed. Girls aged 6 to 7 were disturbed most. Girls of 10 were disturbed twice as much as boys of same age.

TV HAD THESE EFFECTS ON CHILDREN:

59 per cent stayed home more, after getting TV

53 per cent read less, with TV in the home

24 per cent made fewer things with their hands, after TV became available.

13 per cent played less in groups when TV was in the home

Some public libraries say they have had slight gains in per capita borrowings. But surveys in this field are scattered. In any case, the percentage of adults who read books before TV came along was fairly small. The effect on those who did is not easily measurable. When asked, the book readers usually say they now read less, or more slowly, because of interruptions from TV.

What all the available facts seem to add up to is this: There are more people in the U. S., and particularly children, than there were 10 years ago. They have more money to spend. Yet they are spending less for books and little more for other reading material than they used to spend.

Inference is that, if they didn't have TV, these people would buy more magazines, books and newspapers. In some cases, TV may stimulate certain types of reading. But, in the mass, the TV set keeps people away from the printed word.

TV AND THE CHILD

Effects on School Work

HOW IS TV AFFECTING America's children? There is a vast amount of uncertainty as to the right answer to this question. But it's a question of vast concern, too.

What bothers most parents and teachers about TV is the way it distracts children from reading.

The mother of a 10-year-old boy puts it this way: "You can control, at least in part, what he sees on TV. Even the worst of the TV programs are not much worse than the Saturday-afternoon movies we used to see as kids. But what can you do to get him to read when TV takes so much of his time, and satisfies so much of his desire for adventure and thrills? At least the comic books made him read, if only a little bit."

Most studies of TV habits agree that the average youngster spends from 20 to 30 hours a week in front of a television set while he is between 7 and 13 years of age.

When youngsters reach the "boy meets girl" stage, in their teens, TV viewing falls off in favor of the corner drugstore or some other meeting place. Here the juke box moves in on the TV set.

Right after TV came in, there was quite a rush to the eye doctors with children's eye troubles, real or fancied. Now many doctors say that parents were

PARENTS SAID THIS ABOUT TV:

"Most programs are grossly inappropriate for children and give them a fantastic and unreal picture of the world."

"The serials are not nearly so scary as the ones we saw at the Saturday matinees when we were children."

"Could cowboys still be cowboys and have presentable table manners?"

"Exposure to a reasonable amount of TV does increase vocabulary, word recognition and general knowledge and understanding."

"The casual display of crime, sex and anger is an insidiously evil force and this generation is bound to suffer morally."

"A few of the crime pictures, such as 'Dragnet,' show just what our police forces are doing to help prevent crime, and it also shows that crime does not pay in the end. Seeing it over TV is no different and not as bad as reading about it in the papers."

"Daytime TV programs are for the average stupid woman."

"Programs like the 'March of Time' and 'King's Crossroads' teach more in half an hour than we could retain from a full volume of reading."

SOURCE: "Television Viewing Habits of Palo Alto Families," a Master of Arts thesis presented to School of Education, Stanford University, by Anna Fitzhugh Bell, 1954.

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just then becoming aware that their children were having sight troubles, as the children couldn't see a normally functioning TV screen.

Some eye specialists, nevertheless, point out that TV watching adds just one more stress to those placed on eyesight by bright lights and movies, and thus increases the likelihood of eye trouble.

Less exercise, sleep. A number of health authorities suspect that the worst effects of TV on children are indirect: It keeps them from play such as baseball and hopscotch, which help exercise and develop their eyes and the co-ordination between eyes, hands and feet.

There aren't any really thorough studies on the physical effects of TV on children. On the other hand, there is plenty of research on what TV has done to children's school work and their living patterns.

One of the earliest studies was conducted in 1951 by Eleanor E. MacCoby, in Cambridge, Mass. Miss MacCoby studied 600 school children, found TV youngsters averaged 2½ hours per weekday, 3½ hours on Sunday, at their sets.

The TV kids went to bed 20 minutes later than did the non-TV ones. About one third of the families with sets reported some trouble over bedtime; one fifth said there often was a problem getting their children to leave the set and come to meals. In this study, homework did not appear a problem. It was done about as willingly, and as often, in TV homes as in non-TV homes.

A more extensive survey was conducted by Xavier University on 1,000 sixth and seventh-graders in Cincinnati, also in 1951. Three fourths had TV sets.

The Cincinnati youngsters averaged about 30 hours a week in front of their sets—five hours more than they spent in classrooms. Half of them said they were allowed to see any programs they chose. Fifty-eight per cent stayed up past midnight at least once a week to watch old movies. Thirteen per cent stayed up this late four or five times a week.

The children who said their parents controlled their watching time were usually in higher intelligence brackets than the ones who could watch TV whenever they wanted to do so. The lower a child's intelligence quotient, the likelier he was to have been seeing a good many mystery and wrestling programs.

A survey of 3,000 U. S. high-school students was conducted by Purdue University in 1953. On an average, these teenagers watched TV about three hours a day. Some 40 per cent felt that TV had interfered with their school work. Thirty-two per cent thought some TV programs, such as crime shows, were harmful.

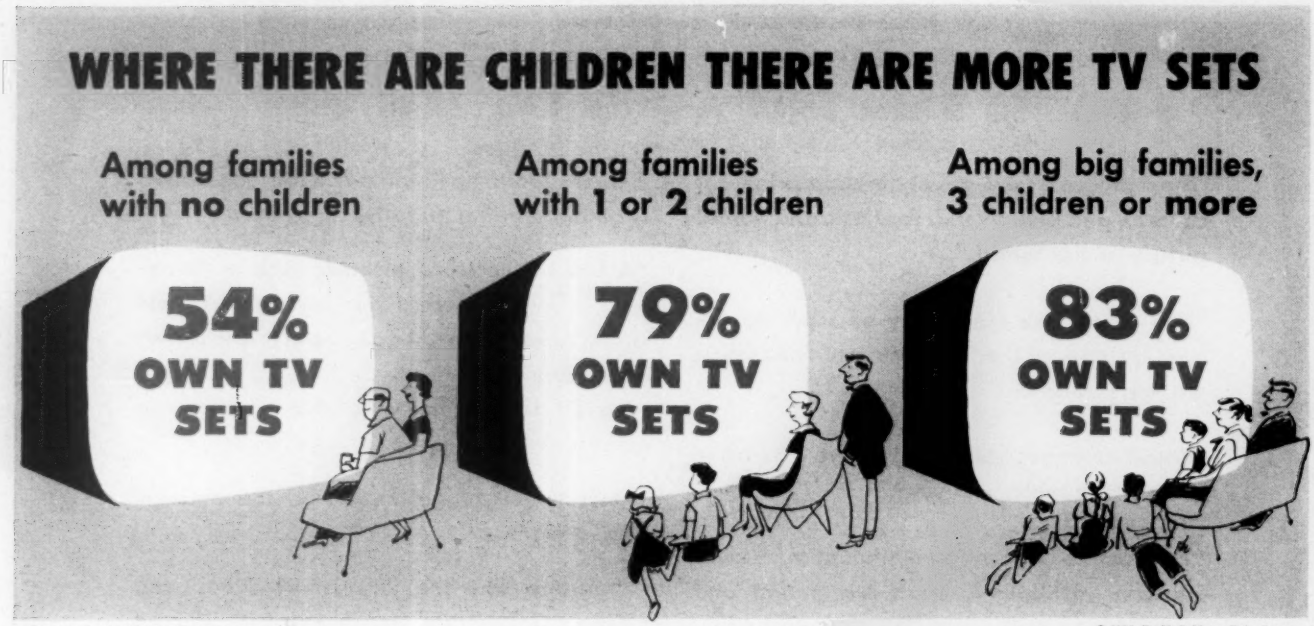
Another study, published in 1954, showed that heavy TV viewers among a group of children had lower grades than light viewers. The study concluded that excessive viewing seemed to be connected with substandard school work. But whether TV actually caused the school work to decline was something else again.

The chart on pages 40 and 41 shows details of yet another such study, made last year in California.

Boon to learning? A more optimistic picture was obtained in a study of Houston, Tex., school children, also made in 1954. These results, based on children's sayings and activities, indicated that children in the primary grades were getting a great deal of information from their TV viewing and were developing interest in a wide variety of topics.

The youngsters were showing a knowledge of tides, and the moon's effect on them, of bicycle safety, transparency, how sounds are made, and the operations of jet planes, rocket ships, tanks and submarines.

Their vocabularies seemed to be in-


WHERE THERE ARE CHILDREN THERE ARE MORE TV SETS
Among families with no children
54% OWN TV SETS
Among families with 1 or 2 children
79% OWN TV SETS
Among big families, 3 children or more
83% OWN TV SETS
Source: A. C. Nielsen Company
© 1955, By U. S. News Pub. Corp.

creasing in range far beyond what they once were, apparently because of learning from TV.

Nevertheless, one teacher was quoted as saying: "TV has poor taste and bad manners and if it teaches anything it teaches poor taste and bad manners."

Another teacher calls TV "the nation's No. 1 time trap for children." Still another expects U. S. society to become "a chairbound, myopic and speechless race."

There is one belief, not yet verified by research, that children now quite young, born into the TV age, take TV much more calmly than do their older brothers and sisters.

To the pre-TV child, the TV screen was a magic thing when it appeared. To the post-TV child, so the thinking goes, TV is much more like a bicycle, or any other standard plaything. It is something to be used from time to time, but nothing to get very excited about.

This is the opinion of some highly placed broadcasting-company executives and one shared by Rolf Meyersohn, a Columbia University sociologist.

HOW TV IS USED IN EDUCATION AND RELIGION

A GROWING NUMBER of qualified people are enthusiastic about the possibilities of TV as a "teacher" in the schools.

Much of the interest in teaching by TV goes back to the teacher shortage, when record baby crops were pouring into the schools.

Educators point out that, to provide one teacher for every 25 or 30 grade-school children, which is an accepted ratio, half the nation's expected college graduates would have to be teachers. This is obviously a problem.

But TV, the educators say, can come to the rescue. Theoretically, the best arithmetic teacher in the country could teach all the fifth-graders in the U. S. at the same time. It probably wouldn't work out quite that way. But, already, school administrators are thinking in terms of huge TV screens to cover the entire side of a classroom—taking the place of blackboards.

Early ventures in TV teaching included 100 schools in New York State. They have been getting a 9:30 a.m. TV program from the Mohawk-Hudson Council on Educational Television.

In Philadelphia, 93,000 pupils view the school system's own TV program. Philadelphia started in-school telecasts in 1947, and now has 300 sets in public schools and 1,200 others in suburban, private and parochial schools.

San Diego public schools have an in-school TV system; Chicago schools are planning to use a new educational TV station for both grade and high schools. Pittsburgh is about to launch the biggest experiment yet, with $140,000 in Ford Foundation funds. Here the schools will teach fifth-grade reading and arithmetic and a fifth-grade course in French.

Colleges, too, are going in for TV teaching. Milton Eisenhower, brother of President Eisenhower and president of Pennsylvania State University, recently declared that education by TV can be as effective as classroom instruction.

A tested teacher. Penn State itself is expanding teaching experiments with TV, having found that there is practically no difference in the marks of students taught by TV and those who attend standard classroom lectures. Penn State has had two courses in psychology and one in chemistry by TV. This autumn it will offer courses in music appreciation and history. New York University will follow

suit in September, with composition and English literature courses.

At the University of Toronto, an experiment comparing TV with other methods of teaching has demonstrated television's ability to capture and hold the attention of students.

Undergraduates, 108 of them, were divided into four groups, and all four groups received the same lecture by the same teacher, on an unfamiliar subject. One fourth of the students got the lecture on TV; one fourth by radio; one fourth in person—in the studio where the TV and radio programs came from. The remaining one fourth read the lecture.

Immediately afterward, all students were given a 30-minute examination.

The TV audience learned significantly more than the radio audience, which in turn learned more than the reading audience. The reading audience, in turn, learned about as much as the ones who heard the lecture in person, from the professor in the studio.

The Army, too, has had good results from TV instruction. It finds that TV instruction is remembered at least as well as regular face-to-face teaching.

One thing that teachers have noticed about TV teaching in schools is that the instructor on the screen "is able to look directly at each member of the class." Thus he seems to be able to hold attention better than if he were actually in the classroom.

Despite the early successes of TV in schools and colleges, adult education by TV seems to be having a notable lack of success. Some educational stations for the general public are having a rough time keeping afloat. The average man, it seems, wants to use his TV set for relaxation, not for education.

Religion and TV. Religious groups, which feared TV would keep people away from church, are trying to make it an aid, just as educators are doing.

There are many local church programs —Protestant, Catholic and Jewish—that are televised. A number of churches are beginning to use TV to reach larger audiences, via network programs.

For example, "The Baptist Hour," on radio for 14 years, is to be extended to TV in large cities at a cost of about $700,000 a year. Films to illustrate Biblical teachings are to be made by a new Baptist TV center being constructed in Texas.

The Roman Catholic Church has authorized televising of Masses. A Catholic bishop, the Most Rev. Fulton J. Sheen, has conducted a widely known program for several years.

The Lutheran Church, Missouri Synod, has sponsored an inspirational-type TV program.

As in almost every aspect of TV, the religious programs have caused some arguments. The Rev. Liston Pope, dean of the Yale School of Divinity, not long ago scorched these programs, declaring they nearly all falsify or ignore the Gospel in one way or another.

TV'S EFFECT ON MOVIES, SPORTS

THERE IS very little question as to the revolutionary effect TV has had on other forms of entertainment.

What has been happening after the first frantic years of trying to fight off TV is that the other people with entertainment to sell have taken a new approach: If they can't lick television, their conclusion is, they'd better join it.

In its early years, TV almost wrecked the movie industry. Attendance dropped wherever TV came in. For last year, weekly attendance at movie theaters was at the rate of 50 million, little more than half the size of the movie audience in 1946, the movies' best year and also the year that TV came generally on the scene.

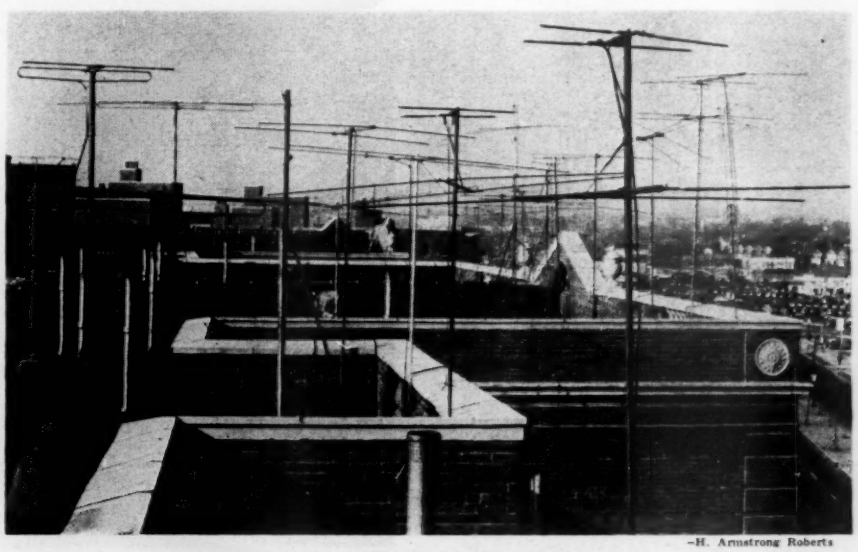
With lowering of attendance, hundreds of movie houses closed their doors between 1946 and 1954. Out in Hollywood, major studios shut down and there was widespread gloom. Output of major feature films for theaters dropped sharply, from 432 in 1951 to a total of 354 in 1953. Then came another drop, to 303, in 1954.

In recent months, however, TV appears to be coming to the aid of the movie-producing industry. Major TV broadcasters have turned to Hollywood to supply them with films of programs. Some 43 per cent of Hollywood's film-making capacity is employed by TV now. Filmed programs have many advantages over "live" ones, from the advertiser's point of view.

Movie attendance, moreover, has turned back up, with the use of the wide screen in movie houses and production of fewer, but better, movies. The 1954 weekly attendance figure of 50 million was about 10 per cent higher than 1953.

Sports: hurt or helped? Opinion still is sharply divided about the effect of TV on major commercial sports. At first it looked as if TV would seriously damage sports as an industry. Now many sports promoters regard TV as a help.

Minor-league baseball is a definite casualty. Football suffered heavily at first,



—H. Armstrong Roberts

THE AMERICAN SKYLINE
In 32 million homes, TV dials are flicked on and off

but the situation is harder to measure since the National Intercollegiate Athletic Association applied restrictions to telecasting of major games.

Major-league baseball, on balance, appears to have benefited financially from TV. Any drop in paid attendance is more than offset by increased revenues from the sale of TV broadcasting rights. There may even have been a net gain in baseball fans—especially among women—from TV showing of the games.

The difficulty of getting to the ball park, and the problem of parking their cars, keeps more fans from attending ball games than does TV, the latest survey shows.

Boxing and wrestling, which had become rather moribund, have profited obviously and largely from TV telecasts, both in direct income from sale of TV rights and in revived public interest.

Increasingly, the most spectacular sports events are tending to be shown on the "closed circuit" television network, piped into movie theaters, hotels, other public meeting places. That is the plan for broadcasting of the coming title fight between world champion Rocky Marciano and challenger Archie Moore. Notre Dame University will televise some football games over closed-circuit TV in months ahead.

There's no agreement as to TV's long-range effect on general interest in sports, including the amateur contests, or on participation by American youths. Some authorities feel that TV has broadened interest in all sports and that this already is being reflected by increased golf playing and by rapid growth of some of the newer sports, such as skin diving.

WHAT TV IS DOING TO POLITICS

TELEVISION IS HAVING a steadily increasing influence on the average adult's political thinking. Nearly all the experts agree on that.

In next year's presidential campaign, it is expected that 7 out of 10 American families will watch the nominating conventions of the Republican and Democratic parties. In 1952, 4 out of 10 families watched the conventions.

Even in 1952, when TV was only half as prevalent as it is now, the impact on the electorate was considerable. TV helped project the Eisenhower personality to millions who had known the candidate only as a distant military hero. TV helped Adlai Stevenson, a comparative unknown, to become a familiar face and personality overnight.

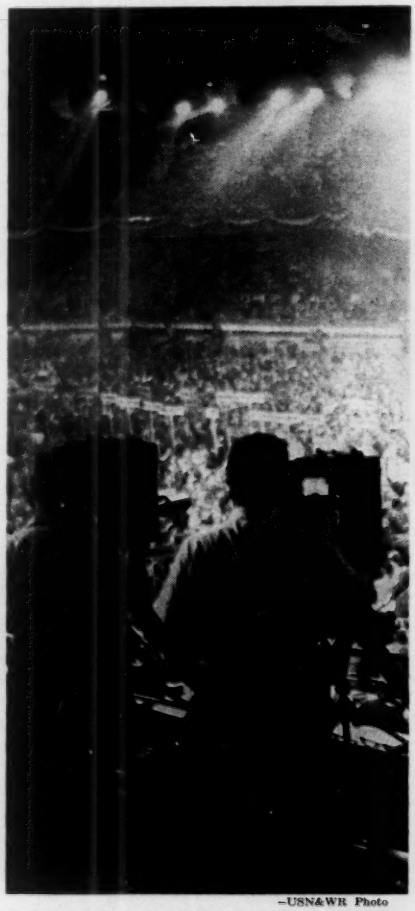
Potency of TV as a political tool is getting increased appreciation among politicians—along with growing concern.

The Eisenhower Administration has taken up TV as a major public-relations device. With skillful professional help, the President has employed TV in nationwide addresses and broadcasts of Cabinet meetings, as well as in closed-circuit talks to party followers. The result, some politicians say, has been as effective as the radio addresses with which Franklin D. Roosevelt put across his personality and built support for his policies.

On Capitol Hill, Congressmen of both parties use TV as much as they can. There is, however, a good deal of murmuring about its expense, and expressions of fear lest TV become a tool of wealthy "interests" in politics.

Those who see this danger in TV cite figures like these: Spending in the congressional elections of 1950, reported to Congress, totaled 10.9 million dollars. Spending in the 1954 elections was reported at 13.7 million. TV gets credit, or blame, for causing the increase in expense.

Another indication of the growing cost and importance of TV election coverage is seen in the announcement of Westinghouse Electric Corporation that it will spend 5 million dollars in 1956 to sponsor the coverage of presidential campaigns and election returns over the CBS network, including a nine-week series of TV debates on issues between leading spokesmen for the major parties.



—USN&WR Photo

1952 POLITICAL CONVENTION
Most families will see next year's

New code for campaigns? TV's increasing weight in politics is causing demands for new rules to govern its use for political campaigning. Senator Warren G. Magnuson (Dem.), of Washington, recently declared that running for office has become a rich man's game and that TV stations may some day be required to give lower rates, or even free air time, to political candidates.

Now the only requirement is that TV stations give equal opportunity, both to candidates and parties, to buy time.

Other Congressmen are interested in whether there should be new rules to insure that TV campaigning is "fair." One idea is a proposal to amend the Communications Act to extend the definition of "political broadcasts" to include authorized spokesmen of any candidate. Now a "political broadcast" is one in which the candidate himself appears. Rules are less strict for campaign talks by someone else on the candidate's behalf.

The TV people themselves are pushing for relaxation of the rule that requires them to give equal amounts of free air time to all parties, regardless of the parties' importance. The effect of this, the broadcasters say, is to limit, in practice, the use of TV as an information medium in election campaigns.

Broadcasters feel there isn't enough interest in little-known candidates to justify giving them valuable air time. So no one gets time, in many cases.

Congress, however, is likely to go slow in changing rules in this field.

WHAT TV IS DOING TO HOME LIFE

EXPERTS MAY DISAGREE about the effects of TV, but the average man or woman has strong ideas and feelings on the subject. That becomes apparent in any sampling of public opinion, as in the interviews that follow.

These interviews are a cross section of talks with people in various occupations, living in widely separate areas of the nation. The comments reveal what people really think about the new force in their lives.

Executive, New York City, 2 children—

Q What do you and your wife think about television at this point?

A Well, I'll tell you. The kids are away at camp just now, and the other night my wife and I sat in the living room and just laughed at the TV set—it was turned off. It was perfectly wonderful not to have it on for a change.

Q Do the children still look at television much?

A I think they look at it too much. It seems to me it is an emotional outlet for them. I don't know if it is especially healthy. Maybe they are neurotic kids, but I don't think so. Pete, the 13-year-old boy, gets wrapped up in the violent programs, blood-and-thunder stuff, stories of international intrigue. Ann, she's 17, is a little more selective. Likes the better plays. Now and then she even goes upstairs and reads a book.

But they both spend too much time with TV. It cuts down on their outside activities and their friendships. They don't bring other kids around the house.

Q Do you think it has helped them educationally?

A Certainly they are quick to react, more positive, more "savvy" than they would have been without it. But it seems to be a surface sophistication, it doesn't go very deep. I hear them make positive statements when I know their only authority is somebody they've heard on TV. They don't dig any deeper.

Q Do you and your wife spend much time with TV?

A There are certain things we don't want to miss—but we don't look at everything any more.

Q Do you think TV has done anything to the way you live?

A Well, we don't seem to have family picnics or beach outings any more. If we go anywhere as a family, the kids have to be back in time to "catch" their favorite programs. It makes it hardly worthwhile.

Widow, Washington, D. C., 2 boys, 6 and 9—

Q How does TV affect your life?

A Some nights it is a great blessing. I keep the set in the children's room, and when "Disneyland" or some other favorite is on I get a breather from the boys for an hour or so.

Q Do the boys spend much time with TV?

A Not really. They've always had it, since they can remember. Sometimes the older boy will shut himself up and look at television for a couple of hours, but it's usually when he's upset about something. Seems to calm him down somehow. The little boy almost has to be coaxed to look at a good program. TV is just another plaything he's bored with most of the time.

Q Can you see any effect that TV may have had on your children, compared to your own childhood?

A Yes. I can trace their talk and their mannerisms to some popular TV actor, quite often. They are very imitative, especially of the TV comedians. But, I am afraid it has set them back, especially in reading. Bill, who is 9, has a terrible time at school. He can't seem to learn to concentrate. At home, he even has to ask me what the newspaper headlines say. He just doesn't want to learn to read.

Q Hasn't TV taught them anything?

A Well, yes—they get stuff like Davy Crockett. But they are apt to get it all wrong. I had to spend an hour to convince them that Davy didn't patch up the crack in the Liberty Bell at all.

Advertising-agency official, San Francisco, 3 children, 2 TV sets—

Q Do you go out less because of TV?

A It has replaced the movies for us, but otherwise we still go out.

—USN&WR Photo

SPELLBOUND BY TELEVISION
. . . sometimes for 30 hours per week

Q Do you read less than before?

A I never did much reading. I read mostly magazines, papers, business reading.

Q How much do you watch?

A The children watch more than we do. But they have become selective, too. My wife watches TV while she's ironing. In summer, I watch probably for an hour, not much more, a night. In winter, I probably watch a couple of hours a night.

Q Would you pay a fee to avoid commercials?

A That is difficult to answer. It would be expensive, because they couldn't give

. . . "To teach children to read, find a way to do it on TV"

commercial programs for a dollar or so a month.

In many programs the commercials are as entertaining as the program itself. There's so much information that is gained from many commercials. They're constantly getting better, they're in better taste.

Q Would you pay for special programs?

A That idea will never get off the ground.

Q Does TV interfere with the children's homework?

A They have to do their homework before they can watch. TV probably does interfere where a family with a teen-ager gets a set for the first time. It would take time to get adjusted to seeing TV on a selective basis.

Housewife, Princeton, N. J., no children at home—

Q Do you watch TV a lot?

A More than we'd like to.

Q Do you read less than before you had TV?

A It practically ruins my reading, and I am a reading person. I used to read as many as four, five books a month. Reading has always been the main interest in my life, and TV has cut it down to practically nothing.

Q How about your husband's reading?

A He is a nonreader. TV occupies him and leaves me with the choice of either sitting in the living room with him for companionship, or else I have to leave the living room and go into another room to read, which I think is a very bad situation in a family.

I tried reading while he watched, and you can imagine how hopeless that is. Even the evening newspaper is sort of read between programs or during commercials. The thing fascinates you. That's why we call ours "the evil." Any intelligent person should be able to control this thing. But it seems to control you after a while.

Q Do you have the impression that your experience is fairly common among your friends?

A Not until just lately, when I mentioned the fact that this "creature" seemed to have come into our lives and taken over, and someone else said, "Well, that's the way I feel about it. Why can't I get up and turn it off?"

I am glad I am not the only one who seems to be mesmerized by it. I particularly resent the commercials, which surely are directed toward morons. You get awfully tired of being talked to as if you were 12 years old mentally.

Q Do you watch the major political addresses that are on TV?

A I try very hard to listen to Eisenhower when he is on or to Dulles or other VIP's because I think these are the things we should know about, and this is one time that TV is an excellent thing.

Q Do you think it aids in understanding the issues of the world to be seeing the man, more than just listening to him on the radio?

A I think seeing him very often debunks him. If he's good, he's going to come through good, usually. If he's insincere, I think that somehow shows in his face and manner. There are certain people who, if you just hear the voice, you are swept away by their ability to talk well, but when you see them you aren't so easily fooled.

Q Many people say they seem to feel that they have wasted an entire evening watching TV—

A I almost always go to bed with that feeling. Just another night absolutely wasted. But I'm not condemning the whole thing. I've seen extraordinarily good plays on TV and there are certain news commentators who I think are excellent. But, of course, it's my own fault that I don't get up and turn off these dreadful quiz programs or the other inferior stuff.

Q Is there any further comment that you would like to make?

A Yes. I am more furious at myself than I am at TV, because it is certainly up to me to learn to use the thing intelligently. But I am still angry that the powers that be do not have more confidence in the American people, and I am sorry that the people who pick the programs and write the commercials or select the writers for them haven't the courage to try a different approach.

And since you can't stop a woman once she starts talking, one more thing: I am deeply thankful that my child grew up in the pre-TV age, because he is a reader. He never would have been if he had been planted in front of the machine during his more formative years.

Broker, New York (lives in New Jersey), 4 children—

Q Do you find that you and your family live any differently since TV?

A I'll say we do. My wife and the kids still are television fans—just as much as they were when we got the machine five years ago. I like to look at it sometimes too, but not just anything that comes on.

Well, when I get home at night there's nobody to talk to, the kids are singing the commercials right along with the broadcast, or a little ahead of it, and I can't read downstairs, so I get in the habit of going to bed about 9:30. The result is I'm up every morning with the chickens.

Q Are the children at all selective about their programs?

A Oh, yes, in a way. They go for travel stuff, how to find an oil well, shows about new and different places. I think some of the TV people, or the sponsors, underrate the intelligence of TV kids. Mine are bored with the so-called children's programs. That's baby stuff to them.

Q Do you think TV has made children more alert, more knowledgeable about things away from home?

A There's no doubt about it. My 6-year-old daughter knows twice as much about the world as my 13-year-old boy did when he was her age. I'll give you an example. When she was only 4, I took her to the circus, mainly to see the elephants. I was worried that she would be afraid of them. Not at all. She knew all about elephants, from television.

Q Is it surface knowledge they get from television? How deep does it go?

A That's hard to say. Certainly they don't read much. In fact, they can't.

Q Do you mean that they don't want to read?

A I mean that they literally cannot read—or, if at all, just barely. My 13-year-old boy doesn't know how to read, hardly at all.

Q Do you mean he can't read a newspaper?

A He can read it with the greatest of difficulty.

Q What is the answer to this sort of thing, then?

A I just don't know. Maybe we are getting into a new era of education—it will have to be by television. It seems to me that, if you are going to teach children to read these days, you'll have to find some way to do it on TV. Same thing with arithmetic. They simply won't sit still with a book.

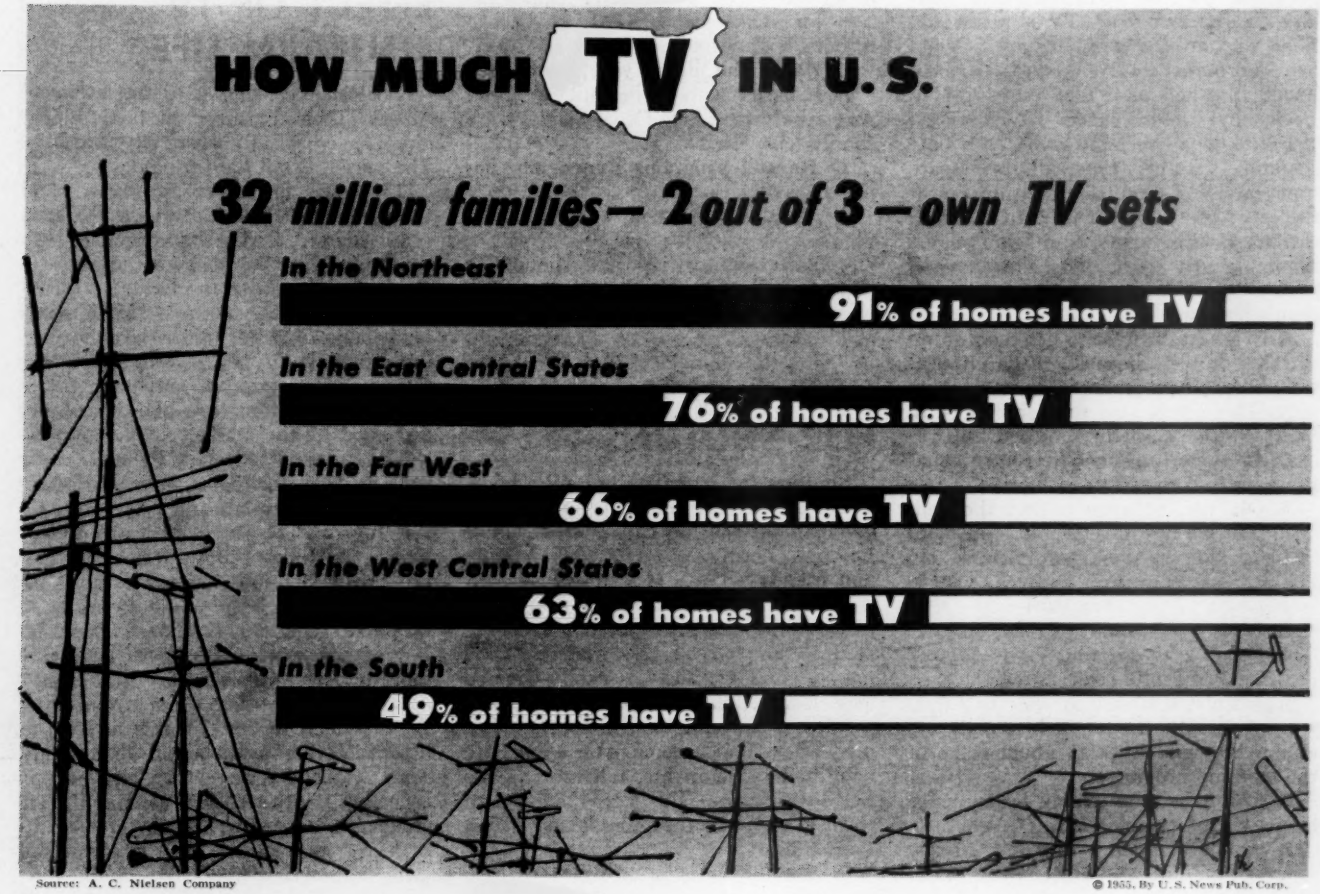
Woman secretary, San Francisco, unmarried—

Q Has TV changed your habits at all?

A It has somewhat. If I didn't watch myself carefully, I'd watch TV all the time and get nothing done.

Q What do you think it is doing to children?

A When I visit friends, the children sit there after dinner and spend the rest of the night in front of TV. They used to read or do their homework. Even Louisa May Alcott is better than the TV fare


HOW MUCH TV IN U. S.
32 million families—2 out of 3—own TV sets
In the Northeast
91% of homes have TV
In the East Central States
76% of homes have TV
In the Far West
66% of homes have TV
In the West Central States
63% of homes have TV
In the South
49% of homes have TV
Source: A. C. Nielsen Company
© 1955, By U. S. News Pub. Corp.

they see. I'm sure their education is suffering.

Q Do you watch educational programs?

A There's only one educational station here, and most people don't seem to know it exists, and rarely tune it in.

Q Are programs getting any better?

A Oh, yes, considerably. But they still have a long way to go. I'd prefer to pay $2 or $3 a month to get rid of commercials. I dislike the interruptions.

Q Do you see more or less of your friends because of TV?

A Most of my friends aren't sold on TV. A few men friends come to my house to watch the sport programs. My neighbors watch TV all night. They just want to relax. I doubt if they know anything at all about what's going on in the world.

Q Do you read any less than before?

A I have all I can do to read the magazines I subscribe to. My book reading has suffered, yes.

Educator, Brooklyn, one daughter—

Q Can you judge the effect of television on your family?

A I think so. My daughter, now 11, lived half her life in Europe and there is no doubt she has been able to learn about America much more rapidly than if she hadn't had TV. Probably some of her impressions are superficial, and she is inclined to take what she sees and hears on television as dogma.

Q Has it affected her reading and playing?

A Not too much. She still reads a great deal and she still plays with dolls. Maybe she is too old for that. The dolls now have television names—Roy and Dale Rogers, and so forth.

I'm afraid that television keeps her inside too much. She is fascinated with baseball games, especially if the Dodgers are playing. She's never seen a real game but she knows more about baseball than I do.

Q Has TV changed your family life?

A Definitely. We seldom go out any more in the evenings. I find it difficult to read if the television set is going so I give in and look at it.

One thing worries me. My wife is inclined to stay in too much during the day and look at television, instead of going out somewhere with her friends, or with the little girl. Obviously, it is some kind of fulfillment. Just what it is mystifies me. She watches all the Dodger games too, and yet she has never really been to a baseball game.

Office manager, Los Angeles, 2 children—

Q Has TV changed your habits at all?

A When we first got the set, all my hobbies, stamps, model trains, were dropped. My wife is a great seamstress. She practically gave up sewing. Now we're both getting back to our former activities. TV has kept us home from the movies. We used to go regularly to the local movie unless a picture was known to be particularly bad. But now it's the reverse. We only go if the picture is outstanding.

Q Has TV given you more time together as a family?

A No, we've always done things as a family.

Q Do you read any less?

A Very definitely. I don't have time. I am in the yarn business, and we felt it here with knitting when TV hit. At first most women could not knit in the

darkness. TV took them from their knitting. In the first year, TV is a novelty. Then the novelty wears off and it's old hat. There's hardly a home in L. A., even hovels that look as if they rent for $1 a week, that doesn't have TV.

I think we're over the hump on people spending so much time, all their spare time, on TV. I used to just sit in front of the set. Now I don't. I used to know all the wrestlers by name. Now I can't name a one.

Q Does TV interfere with the children's homework?

A We have to fight to get them to do it. It's a problem because of the interesting children's programs early in the evening. The school says they should be in bed by 8; we start them to bed at 9.

Q Is there any conflict over what program to turn on?

A Oh, yes, between us and the children. But lately I haven't interfered with their looking as I've got back to my hobbies. But when they're on the way to bed, I turn on my programs.

Q How many hours do you watch?

A Our TV is on from 7 to 11 p.m., plus what my wife sees during the day. The kids watch from 7 to 9. By that time we're finished with the dishes, mail and so on. My wife is crazy about some of the morning programs.

Q Would you be willing to pay a fee to get rid of commercials.

A At the moment I wouldn't. I enjoy some of the commercials, they're entertaining.

Q Would you pay for special programs you otherwise couldn't see?

A Possibly I would, if I couldn't see it any other way.

Q Are the programs any better now?

A I wish they'd stop showing the same movies over and over again. But TV is tremendous entertainment.

Traveling salesman, San Francisco, 3 daughters—

Q Has TV changed your family life?

A It's changed it principally with our children. I find if we don't watch them very carefully they'd be watching it day and night instead of playing.

Q Can they agree on a program?

A Usually it's who shouts loudest, if we're not there.

When we are, we make the decision, and it usually pleases only the one who wanted that program. "Disneyland" is the only program on which they and we all agree. When there's boxing on, our children go to the neighbors to watch, while the parents come over and join us. TV definitely causes dissension in the family.

Q Does it interfere with homework?

A During schooltime we just refuse to let them look at TV after supper except for "Disneyland." They don't like it, but they accept it.

Q Has it cut down your reading?

A It hasn't with us because we don't particularly care for TV. The plays are simply lousy on TV.

Q Haven't programs shown any improvement?

A Not that we notice.

• Interviews such as these show TV's impact in the average home. But TV's effect is found in many special situations of life, too.

WHAT TV IS DOING FOR SHUT-INS

Shut-ins, for example, find TV a boon. There are several million people, at any given time, who are cut off from active life and normal contact with families and friends.

To them, mainly the sick and aged, TV is a welcome companion.

Hospitals have found that TV is a morale builder and a good weapon against boredom. TV proves especially helpful in keeping convalescents occupied after they become well enough to take an interest in life, but are still too sick to go home. TV "gets them out of themselves, turns their minds away from their illness."

Community groups all over the country have made the purchase of TV sets for wards of their local hospitals a high-priority project. The American Legion and other veterans' groups have been enlisted in a campaign to see that every veterans' hospital is equipped with TV.

For orphanages and homes for the infirm, TV is a natural aid, offering entertainment of a variety and amount never before available in such institutions.

Plans for making greater use of TV in institutions of the future crop up everywhere. Architects plan electrical outlets for TV sets in wards and rooms of new hospitals as a matter of course. They're providing for TV screens in the ceilings, and on walls, so that bedridden patients unable to move from a certain position can watch the programs.

TV is in growing use in hospital teaching. More and more operations are demonstrated through its use.

Travelers find TV a readily-available answer to the problem of how to kill an evening in a strange town. Most first-class hotels offer TV in rooms. A man can lose himself in his favorite TV program, while sitting in a hotel room thousands of miles from home, as easily as if he were on his own living room.

EFFECT OF TV ON FARM LIFE

Television is coming to the farms of America, too. Farmers, in fact, appear more eager for TV than city dwellers. The reason is not hard to find.

TV offers farmers a far more vivid connection with the outside world than radio ever did. There's a dollars-and-cents angle to TV that also appeals to the practical-minded farmer.

A TV set can improve the farmer's knowledge of prices and marketing conditions. With TV, he can watch the latest quotations on livestock and grain prices as they are written on a blackboard and discussed by the market commentator.

The farmer looking at TV can see as well as hear the figures—plus comparisons with past trends and projections for the future. This is a real aid to his ability to follow the information and profit from it, and marks the most important advance that has been made in farm-marketing aids since radio came in.

Weather reports are more complete, more understandable, as given on TV.

Surveys show that farmers and their families tend to buy TV sets as soon as broadcasts are available in their areas. They watch TV more than city people, especially in the earlier evening hours. One obvious reason is that fewer attractions are available than in cities. But farm housewives watch TV in the daytime, too. They like the demonstrations of cooking and sewing.

County agricultural agents are heavy users of TV. They've found that, on nights when popular TV programs are on the air, attendance at farm meetings falls off. Demonstrations of new farm techniques can't compete with TV's entertainment. So the county agents, more and more, are putting on their own TV programs, with the help of local stations.

How many farmers can get TV now? Latest estimate is that about one third of all farm families own TV sets. More than half own sets in areas near big cities, but vast sections, especially in the West and Midwest, are outside TV range so far.

TV reception is considered reliable by engineers up to about 70 miles' distance from a broadcasting station, although many people get broadcasts at a greater distance with extra-high antennas. Farmers take pains to get antennas high enough, perching them on barns and trees and special towers.

In the future, relay stations probably will bring network television to most of the rural areas. All signs suggest that farmers will be willing TV fans when they can get the service.

TV BUILDS A NEW INDUSTRY

Effects on Advertising and Selling

THERE ARE MANY debates on the function of TV as a salesman, and on whether it has hurt or helped long-established elements in American life.

TV has had a phenomenal success in advertising. Since 1948, revenues to TV networks from advertising have risen from about 1 million dollars to 444 million in 1954.

Industry-wide, the total "take" in TV advertising last year was 809 million. This year, TV advertising will sop up 1 billion, twice as much as in 1952. That's 40 per cent more than will be spent on advertising in magazines.

In six years, TV has advanced from the lowest of all advertising media to third place, outranked only by newspapers and direct mail in size of revenue. Obviously this has affected the other media.

TV is pushing radio networks severely, making radio, to a great extent, something that people turn on in cars for news and music, usually on a local station. At one time recently, one of the four major radio networks had only one sponsored show after 8 p.m.—a half-hour program on Monday evenings. The audience for a leading program of evening network radio has dropped, since 1950, from 8.6 million to little more than 3 million. Radio-network advertising volume has fallen steadily for six years, now is one third below the 1948 level. By contrast, TV-network advertising revenue in 1954 was 15 times that of 1949.

Just how effective is TV in selling goods remains, however, a subject of much argument among advertisers.

In TV itself, how to get across a sales message is continuously debated. One of the most perplexing problems for advertisers is that a TV show can be so successful that the advertising is ignored by viewers. They are too busy discussing the show to pay attention to the "commercials."

The broadcasting companies and advertising agencies have come up with a flood of surveys to show sales effectiveness by TV.

A Nielsen Company survey, for example, reports that consumer sales of one brand of food product advertised on a typical TV program rose 27 per cent after the TV advertising began. The Dow Chemical Company's experience with Saran Wrap is cited as a specific "miracle" of TV advertising impact. In a year after Dow began advertising, sales of the product rose from 120,000 rolls a month to 3.8 million.

Space salesmen for newspapers, magazines and radio, nevertheless, dispute TV's effectiveness per dollar of expenditure. They contend that the effect of TV is often distorted, that it is impossible to separate the roles played in the buyer's mind by TV advertising, newspaper promotion, magazine advertising and merchandising and radio "commercials."

Cited, too, is the fact that some advertisers have left TV after trying it. Commenting on one survey, which listed 174 former TV network advertisers who are no longer using TV, *Advertising Age*, a trade publication, said this:

"So it is interesting to look over the list—as it is interesting to look over the early lists of advertisers in any new medium—to see who and what kind of advertisers tried the new magic, and to note

—Westinghouse

THE SETS ROLL OUT
. . . from 49 manufacturers

those who tried and, for one reason or another, found it wanting.

"In the case of television particularly, it should be pointed out that a fair number of advertisers who tried it and then dropped out, did so because the going got much too rich for their blood. Their ability to sell goods, no matter at how elegant a pace, was outdistanced by the wonderfully blooming costs of the newest electronic medium."

Most advertisers appear to be taking the position that TV is essential in advertising of national-brand products, but that the older media must be continued, too, to get their story to the public.

As a result, business in 1954 set new highs for advertising spending—despite the dip in network radio, women's magazines, farm magazines and some types of local advertising. Even local radio advertising increased by comparison with national radio advertising, which competes directly, and disastrously to itself, with TV.

The boom rolls on. In the year ended last June 30, people bought nearly 8 million TV sets, more than ever before. Families are turning in their old, small-screen sets for 21-inch models, and they're buying "second" sets in increasing numbers.

One out of every five new TV sets being sold now is a "second" set. That's one more sign of the growth of the TV habit, since the "second" set usually is bought so the grown-ups can watch their favorite programs at the same time the children have one set turned to another channel.

Industrially, TV is big business. Forty-nine companies produce TV sets. There are more than 100,000 TV repairmen, and many thousands of other people make a living in the sale and servicing of TV.

The broadcasting industry itself is a vast enterprise, still growing. TV stations on the air now number 461. Yet 25 per cent more—123 stations—still are under construction and will go on the air in months ahead.

As TV technique spreads in to railroads, air lines, factories, schools, hospitals and other fields, the industry that makes, sells, services and operates TV equipment seems sure to expand still more.

WHAT IS COMING NEXT IN TV

THROUGH ALL the controversies, television continues to spiral upward, pausing only now and then to reflect on what it has been doing to the people who watch it.

However, some highly placed broadcasters now are realizing that the future of TV is bound to be wrapped up in the nature of its continuing impact.

Subscription or toll TV, and color TV, are two future developments—and problems. Impact on the public, conscious or subconscious, is going to play a big part in the success or failure of both.

A hot fight is going on between the supporters and opponents of toll TV, which would allow subscribers to pay their fees and get certain closed-circuit programs not available to nonpaying TV owners.

Latest development in the battle is a survey reported by *Tide*, a magazine in the advertising trade, showing that 70 per cent of the country's principal advertisers and public-relations executives would vote in favor of giving toll TV a try.

One of the advertisers' reasons: The public is getting gradually fed up with current TV fare, wants something better. Another: Toll TV might force commercial TV, paid for by advertisers, to raise its standards.

The Federal Communications Commission will decide, sometime in the coming autumn, whether toll TV is to get a chance.

Color TV is considered the one "certain" big thing in the near future. Some sets are being produced now at a cost of about $650. A decline in cost, generally expected, might result in a gradual change-over from black-and-white TV to predominantly color broadcasting. But this is not certain. Color-telecasting equipment is two or three times as expensive as standard equipment, and TV production costs already are relatively very high.

If color TV does catch on, it is likely to touch off another round of public discussion on all phases of TV's effect on people, especially children.

With color, TV should increase its "pull." Psychologists believe it will be next to impossible to keep attention away from a color set. Even now, few people can ignore a TV set if the screen is "alive."

Color will intensify TV's effect on eyesight. It will increase TV's impact on the minds and emotions of viewers. Already you can hear people saying, after seeing a color-TV program sponsored by a meat packer: "I can almost taste that bacon."

With the advent of color TV, and perhaps toll TV, you can look for new efforts to chart more scientifically than has hitherto been done the effects of television on America, Americans and their children.

You can also expect more soul searching by executives of TV networks on the quality of the fare that TV viewers are getting today. Some signs of this already are evident, for example in the ideas of Sylvester (Pat) Weaver, president of NBC, for "enlightenment through exposure." By this, Mr. Weaver explains, he means an attempt to weave threads of culture, information and education into top entertainment shows without killing their show-business value. Mr. Weaver wrote recently, "We must make culture a commodity of mass appeal."

Right now the only thing that is really certain about TV impact is that everyone is guessing about it; that no one is doing large-scale, exhaustive research into the long-range effects of the new medium.

Progress may be made by a project to be financed by the Columbia Broadcasting System, starting this autumn. A committee of outstanding Americans will be formed and given the task of supervising an objective study of TV, its effects and its future. Operations are to be handled by an independent group, not limited to TV people.

Sociologists, doctors and teachers, however, fear it will take a great deal of time and work before the researchers, whoever they are, can get TV impact into perspective, weigh its total effects on the American mind and body.

They are especially concerned—and baffled—by what TV may be doing to, or for, American children.

Certainly the country's parents would give a lot to know the answer. They already have found there is a lot more to it than the solution that once seemed simple: "Why not just turn the darned thing off?"

For a summary of the Kefauver Subcommittee's findings on the relationship between television and juvenile delinquency, see page 75. Britain's first venture into commercial television is described starting on page 54.

Worldgram®

FROM THE CAPITALS OF THE WORLD

BONN....CASABLANCA....TOKYO....

>> The damper, suddenly, is on the broad new smile which appeared on the faces of world statesmen after the Geneva Conference "at the summit." The grim look of all-out cold war is not back yet. But, straight from the "summit," there now come sobering words of warning. Wariness, caution, is on the rise.

>> Europeans, most of them, hailed the "relaxation of tensions" which seemed to develop at the Geneva meeting. Soon they began to worry. Were Soviet leaders persuading the West to lower its guard too soon and too fast?

President Eisenhower, as Europe sees it, is out to check the drift. The "spirit of Geneva," says the President in effect, must not be distorted to justify a divided Germany, an enslaved East Europe or the subversion of Communists the world over. You get the text of the President's speech on page 96.

>> Out of the Communist empire, also straight from the "summit," comes a warning that Soviet leaders are not smiling as broadly as they appear to be.

Nikita S. Khrushchev, the barrel-shaped No. 1 man of Soviet Russia's committee rule, is traveling fast and furiously. In Bucharest, a Communist puppet leader, trying to interpret the "Geneva smile," admitted publicly that the U.S. had helped Soviet Russia win World War II. Then Khrushchev spoke:

"Comrades," said Khrushchev, "we must soberly appraise these successes"--in the relaxation of tensions. Many difficulties, he said, lay ahead. Many forces, he warned, still stood in the way. And he concluded:

"All this makes it incumbent upon us to continue the struggle for the strengthening of the might of our countries..."

>> The speech of the No. 1 Communist, broadcast to European Communists at dictation speed from Moscow in Russian, met the speech of President Eisenhower, broadcast in many languages, including Russian, by the Voice of America.

For Europe, this means that both sides are girding for a timetable ahead.

Chancellor Adenauer of West Germany visits Moscow Sept. 9. Soviet leaders want to jockey West Germany into neutrality. It appeals to many Germans.

The United Nations Assembly meets in New York Sept. 20. It will talk disarmament. Communists boast that they are disarming. Westerners wonder.

The Foreign Ministers of the Big Four, finally, meet in October to see what, if anything, can be done to relax the tensions which the Big Four, at the "summit," smilingly said they should seek to relax. That's the showdown.

This much, now, is clear. From President Eisenhower, Europe learns that the West will accept no status quo, will not approve Communist conquests. From Khrushchev, Communists learn to expect no victory for just a smile.

(over)

>> Short-term outlook in French North Africa is this: The natives can't win. More bitter fighting, more violence, is certain. But French troops will restore order of a bloody, military sort. Natives lack arms for a real war.

Long-term outlook is different. France cannot afford to run both Morocco and Algeria like permanent war zones. Tunisia, once in revolt, got more self-government and became relatively quiet. Morocco may be bought off too.

>> Play it tough or play it gentle in North Africa, many a Cabinet may fall in Paris before Morocco and Algeria are peaceful once again.

French cabinets fell over war in Indo-China, half a world away. But North Africa is France's back yard. French conscripts and French reservists, called out of civilian life, are fighting there. Frenchmen invest savings in North Africa. Most Frenchmen have relatives or friends who call North Africa "home."

French allies, too, are looking over French shoulders. The U.S. has air bases in Morocco. All the Western allies want French troops to help guard Europe, not to fight in Africa. There's no lack of free advice for French leaders.

>> Native rebels, too, have no lack of friends in the North African mess.

Egypt is in it. The Committee for North African Liberation operates openly in Cairo, co-ordinating propaganda, raising funds for nationalist movements against the French. Its members include Abd el Krim, now 73, the warrior who fought both Spain and France in Morocco 30 years ago.

Spain is in it. Moroccan nationalist leaders live in Madrid. And the Spanish Government still recognizes a Moroccan sultan deposed by the French.

Soviet Russia is in it too. North African Communists, though few in number, help the rebels. And Moscow's leaders are eagerly wooing anti-French natives, cheering them on. Revolt against the West, anywhere, any time, pleases Moscow.

>> Strange bedfellows--Moslems in Egypt, Spaniards in Madrid, Communists everywhere, encouraging Moroccans who fight Frenchmen. Egypt wants to lead the Arab world. Spain wants no trouble in Spanish Morocco and thinks the French picked the wrong sultan. Russia wants to make all Moslems enemies of the West.

>> Japan's Government walks a high wire. It's quite an act.

Foreign Minister Mamoru Shigemitsu, visiting the U.S., is "happy" for American help. Japan, he says, should raise its own army before U.S. troops go.

Premier Ichiro Hatoyama looks to the Communist mainland. He wants relations with Red China and Soviet Russia. "Too many people," he says, "have an unjustified fear of Communist expansion." It doesn't frighten Hatoyama.

The results so far: Russia, which Hatoyama hoped would offer to return some Soviet-occupied islands to Japan, hasn't done so. Instead, Japanese Communist leaders suddenly popped out of the underground, were arrested, then released. The U.S., which Shigemitsu hoped would agree to withdraw its troops by 1959, won't be asked to do so. Japan's Parliament killed plans for an army.

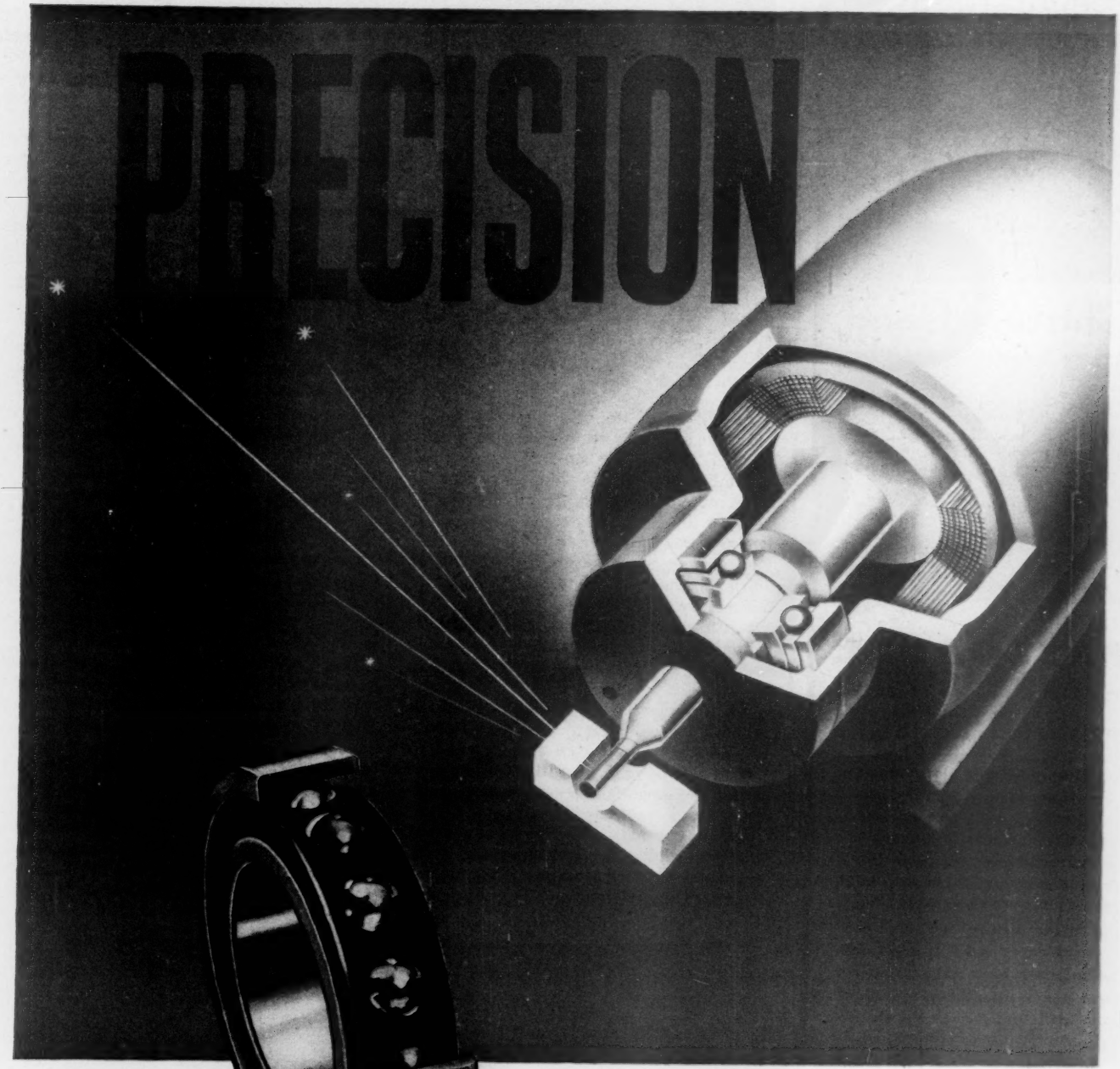
Japan's East-West balancing act, so far, has drawn few customers.

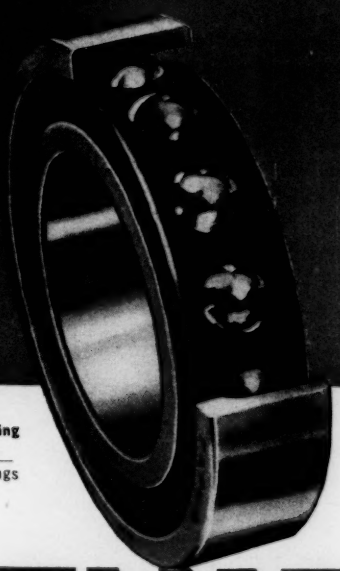
>> Sopot, in Poland, was the Monte Carlo of East Europe. But Communists sent the croupiers to factory jobs. Sopot became a "workers' resort." No gambling.

But the croupiers are back at their old jobs now to meet a limited demand for roulette. Their customers: top Communist officials vacationing at Sopot.

An attitude and an aptitude for solving bearing problems . . .

PRECISION





Fafnir Wide Inner Ring Ball Bearing with Self-Locking Collar — easiest of all bearings to install.

For the mechanized muscles that shoulder the work on farms today — versatile farm materials handling implements — fast assembly and replacement of ball bearings is essential to high production per man hour.

Fafnir's Wide Inner Ring Ball Bearing with Self-Locking Collar can be mounted on a shaft with the bare hands, quickly and securely in a matter of seconds. No shaft shouldering and none of the complexities of lock-nuts, washers, sleeves, or adapters. A twist of the collar locks bearing to shaft.

Fafnir-originated, the Wide Inner Ring Ball Bearing with famous self-locking collar saves hours of skilled labor and machine time. Can you use ingenuity like this to solve a bearing problem? The Fafnir Bearing Co., New Britain, Conn.

FAFNIR

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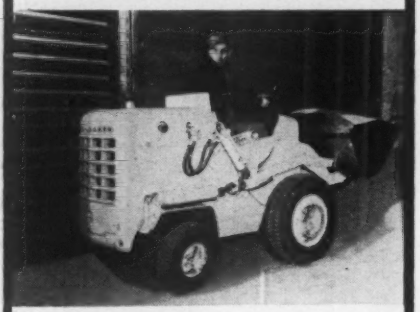
MOST COMPLETE LINE IN AMERICA

Peeling Pitch, or

Shifting Sand



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The "PAYLOADER" is solving such bulk material handling problems every day for industry. If *you* have handling problems involving pitch, peanuts, coal, clay, sand or *any* bulk materials, you should call in your "PAYLOADER" Distributor. He has a size and model from 14 cu. ft. to 2½ cu. yd. bucket capacity to fit your needs — whether indoors or outdoors.

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LIFE AROUND THE WORLD®

memo

FROM BRITAIN

TV GOES COMMERCIAL

LONDON—Britain is about to begin a venture into commercial television broadcasting. Any resemblance to commercial TV in the United States, however, is likely to be more coincidental than deliberate.

What the British are calling "independent" television actually will be under close Government control when a new network starts televising in the London area on September 22—the first time in more than 30 years that competition has been permitted to start up against the Government-sponsored British Broadcasting Corporation.

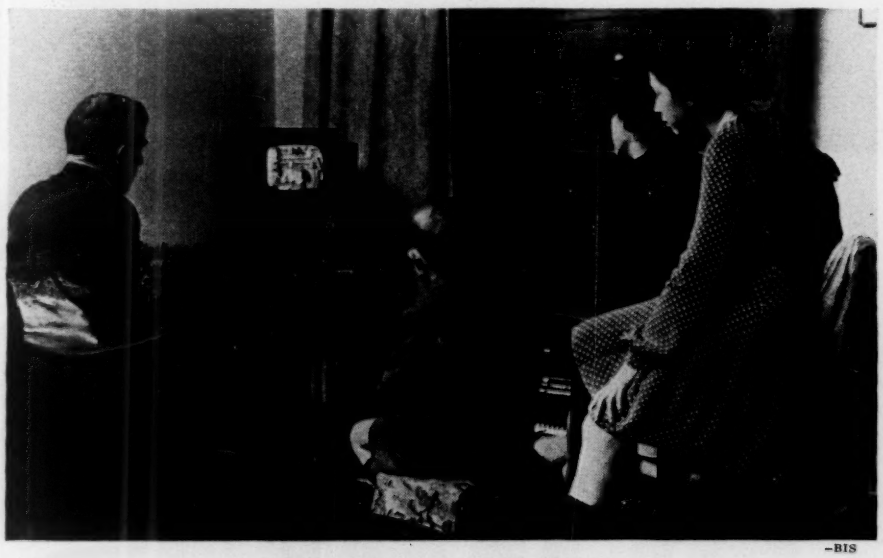
The innovation in the new programs is that they will include commercials. And the British, who have refused for years to permit advertising on BBC, are contemplating the advent of commercial television with mixed emotions.

Strict controls. The Government is seeing to it that the British viewer is exposed to little American-type TV commercialism. The Independent Television Authority, set up by the Government, is to have strict control over advertising.

Normally, no more than six minutes in each hour can be used for commercials—and these can come only at the beginning or end of a program, or at a "natural" break in the show. No commercial can be related to the subject matter of a program. Advertisers, in other words, cannot sponsor programs as they do in America.

Shows, themselves, are to be regulated as to content. Good taste and decency are to be imposed by the Authority, instead of by means of an "industry code" such as that which guides broadcasters in the U. S. The ITA also will be responsible for impartiality in news broadcasting, instead of leaving it more or less to editorial integrity.

"Dragnet" and "soap operas." In addition, a "proper proportion" of the shows and their producers, directors, writers and actors must be "of British origin and of British performance." The



—BIS

BRITISH FAMILY WATCHES TV
Screens go blank between 6 and 7 p.m.

first British "soap operas" are being filmed. But one ITA official estimates that as many as 20 per cent of the new shows will be purchased from American sources for showing here on film. Two of the most popular U. S. shows—"Dragnet" and "I Love Lucy"—already are scheduled for showing.

When it comes to political campaigns and issues, British viewers will get no more out of commercial TV than they do now from BBC. No subject scheduled for debate in Parliament can be discussed on radio or television for 14 days before it reaches the legislative floor. Nor can members of Parliament mention on the air any bill from the time it is introduced until it is disposed of.

Nor will commercial TV in Britain be the dawn-to-midnight proposition that it is in America. Neither BBC nor "independent" television will be permitted to broadcast more than 50 hours a week—an average of little more than seven hours a day, against 18 in the U. S.

A children's hour. On top of that, television screens in British homes go blank between 6 and 7 p.m. The theory is that this is the hour when small children are getting ready for bed—and Her Majesty's Government is making sure that they are not distracted from that event by television.

British television, even with the addition of an "independent" network, remains on a modest scale, by American standards.

Here, instead of the four or five channels to be found operating in many large American cities, a single channel is all that has been available to most British viewers—and that, for a limited number of hours each day. A few Britons have been able to tune in on TV programs beamed from the distant grand duchy of Luxembourg—on the Continent—but most British television sets still are equipped to receive only the single BBC channel.

Now commercial TV gives a second channel to British television. But only an estimated 400,000 out of the 1.5 million TV sets in the London area are equipped to receive the new commercial programs when they start. Older sets are having to be equipped for multiple channels at a cost up to $30.

Restrained doses. For Britons, commercial TV is to be a tightly regulated and limited operation, not at all comparable to the vast, privately owned television networks that flood American homes with programs of every description. One British producer says:

"We feel that the British want television, as they do other things, in much more restrained doses than the Americans do. We could never permit the type of commercial that your stations put on. The British viewer wouldn't like it."

Whether he would like it or not, the Briton is not to get a choice. The British system decides it for him.

"Can't you think of any other way to get through that Cyclone Fence?"

Our friends in the illustration are going to a lot more bother than the average thief. The ordinary evil-doer takes one look at the big, tough Cyclone Fence—then he heads for happier hunting grounds.

You *can* buy cheaper fences than Cyclone but they *may cost more* in the long run. Cyclone Fence has heavy posts and rails, tough steel woven fabric *galvanized after weaving* to resist rust . . . gates that open easily without sagging or dragging. Part of the secret is the installation. When you buy Cyclone, you know that a crew of full-time experts will do the job—men who have spent most of their lives learning how to install a durable Cyclone Fence so that it stays tight and trim.

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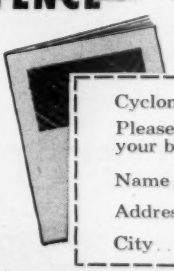

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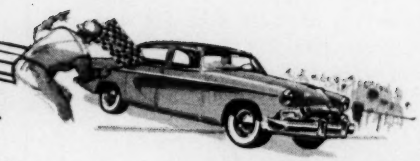
USS

UNITED STATES STEEL

The Studebaker Tradition of Craftsmanship:
Thomas A. Edison buys the second Studebaker ever made (1902).

Fine Proof of Tradition:
The Studebaker "Big Six" sets the brilliant pace after World War I (1922).

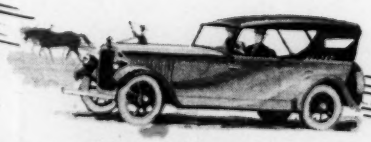


Great Craftsmanship Lives On:
Studebakers triumph again and again in Mobilgas Economy Run (1954 and 1955).

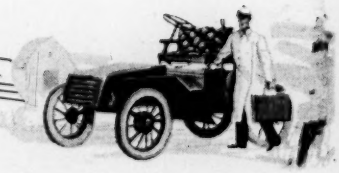
A Great American Tradition

burns bright again!

Inspired Engineering Lives On:
Packard introduces exclusive Torsion-Level Ride, a revolutionary new suspension system (1955).



Elegant Proof of Tradition:
The Packard Patrician, a 12-cylinder, $5,000 motorcar (1920).



The Packard Tradition of Engineering:
Packard builds the first passenger car ever to go a mile a minute (1904).

STUDEBAKER ★

Fine cars in every price class—

WHERE PRIDE OF

Great motor-car traditions were written by Studebaker and Packard, as side-by-side they came down the nation's highways: Studebaker, symbol of fine craftsmanship; Packard, symbol of inspired engineering.

Today, these two proud traditions are *united* in a great new company, and America's proudest automotive tradition burns bright again – with a great line of cars in *every* price class . . . cars to fit every taste and budget . . . cars that are first with the exciting *new* ideas that add so much to your motoring pleasure.

Behind all of the wonderful new cars and trucks rolling off the lines at Studebaker-Packard Corporation stands the strength of a new company . . . with new men, new facilities, new vision.

The new program at Studebaker-Packard Corporation has brought together a group of dynamic *new men* – men rich in automotive experience who see an opportunity like no other in the auto industry – men known for their drive and vision and ideas. Stylists, engineers, and designers – these are the men who are making the big difference in your motoring future.

Back of these men are vast manufacturing facilities and resources. For the combined facilities of Studebaker and Packard have made this new company one of America's *great* industrial enterprises. In fact, the July issue of *Fortune* magazine lists Studebaker-Packard Corporation in the *top third* of America's 500 largest companies. That's big enough to compete with anybody, anytime, anywhere!

Right now, this dynamic new motor-car producer is *recapturing* its rightful position in the American market place with increased production and sales. But more important to you, the American motorist, is this solemn pledge: No matter how many cars we build, there will be no compromise with our traditions of craftsmanship and engineering. Our Pride of Workmanship is your assurance that the best-built cars on the road will keep coming your way from Studebaker-Packard Corporation.

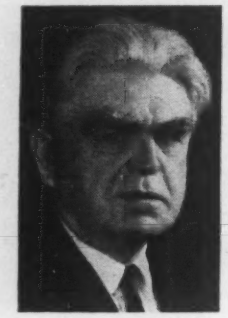
We honestly believe that a demonstration ride in a new Packard, Clipper, or Studebaker will be mighty exciting proof that a great American tradition burns bright again – to bring better motoring to you and your family.

CLIPPER ★ PACKARD

products of Studebaker-Packard Corporation

WORKMANSHIP STILL COMES FIRST!

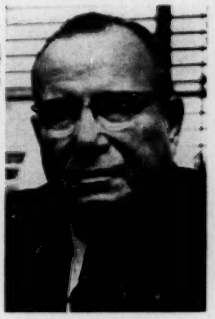
THE MEN ...Lewis and Moses **THE NEWS** ...No-Strike Formula



MR. LEWIS

Old Friends Find New Way To Settle Labor Disputes

John L. Lewis and Harry M. Moses make a quiet two-man job of writing a wage agreement for the coal industry. The new technique is avoiding strikes in a once strife-torn field.



MR. MOSES

THE COAL INDUSTRY, as of now, has found a way to settle its management-labor problems quickly and peaceably. These problems simply are turned over to two men who have power to act. One of them is John L. Lewis, president of the United Mine Workers; the other, Harry M. Moses, president of the Bituminous Coal Operators' Association.

Between them, Mr. Lewis and Mr. Moses get the job done without fanfare, without excitement, without headlines, without strikes. They come to terms and announce the result. They have just concluded a new agreement providing, ultimately, a $2-a-day raise for the miners and assuring another year of continuous coal production, the sixth in a row without a major strike.

The new method is vividly different from the system that prevailed until a few years ago. Then, collective bargaining was a public thing. A hotel ballroom would be filled, union men on one side of the aisle, operators on the other, and reporters in full attendance. There would be rousing speeches by Mr. Lewis and others. In the end, as often as not, there was a strike. Five times, the Government seized all or some of the mines.

Close relations. Between Mr. Moses and Mr. Lewis there is a highly informal relationship. They have been on a first-name basis for years. Their Washington offices are not far apart. They see each other frequently, sometimes several times a week.

Routine matters, as often as not a local wildcat strike, bring these two men together. Then, with the business at hand settled, they sit and discuss the state of the coal industry as a whole, or tell stories, at which both excel. But, one day last April, Mr. Lewis raised a subject that was more than routine and one that Mr. Moses had been expecting.

Amiably and informally, Mr. Lewis gave notice that the time was approaching when the contract between the UAW and the coal operators would need revising, with more pay and other benefits for the miners. The union chief might have reopened the contract at any time in the previous year and a half. He had refrained because the coal industry was in bad economic condition. This year, however, the situation was improving.

For more than three months, the two men casually and occasionally discussed the changes that might be made. Mr. Lewis mentioned explicit figures for the first time on August 9. He scrawled five propositions on a memo pad and handed them to Mr. Moses.

–United Press

MANAGEMENT MEETS LABOR
. . . the informal approach

Mr. Moses consulted the executive committee of his organization, came back with some proposals for changes. Mr. Lewis talked with a few of his people. Mr. Moses brought two prominent coal operators to a conference with Mr. Lewis and the three discussed the situation with the labor leader. There was give and take, a spirit of compromise on both sides. Finally, on August 20, reporters were called in and the new contract was announced.

The new contract, as did the old, statedly runs for a year, but its actual termination date is indefinite, subject to 60-day notice by either side that it wants the instrument revised. This avoids the tension and drama of working against the deadline of an exact expiration date and revival of the old slogan: "No contract, no work."

Mr. Moses' organization speaks for Northern coal operators, including steel companies that operate "captive" mines. Together, these operators employ about 60 per cent of the miners in the industry. The Moses-Lewis agreement put pressure upon Southern and Western operators to sign on the same terms or risk trouble with the union. Reluctantly, they, too, fell into line, repeating a process followed in 1952.

Operators' man. Mr. Moses is 58, a cheerful, approachable man with a fund of anecdotes. He is a sports enthusiast. A baseball World Series, a major boxing match or big horse race usually finds him present. He calls hundreds of people in both the management and labor fields by name. He has had a wealth of experience in the coal industry and its labor-relations problems.

Mr. Moses' story, as it relates to Mr. Lewis, actually goes back to

(Continued on page 60)

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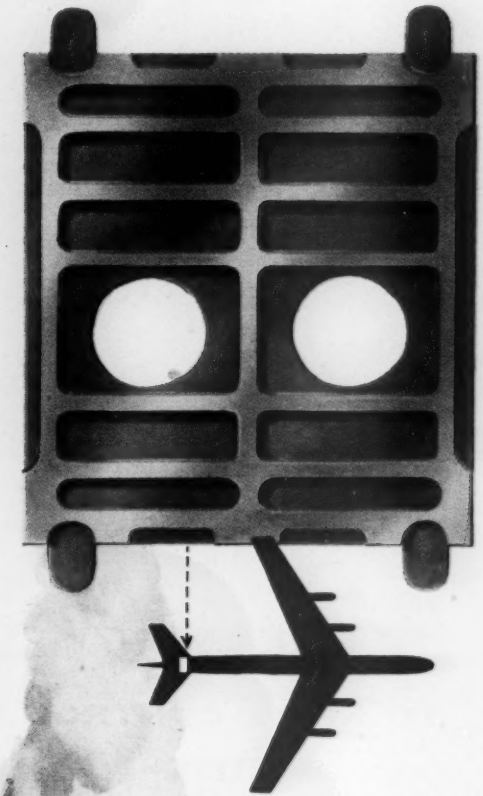

Harvey Precision Aluminum Forgings are formed, *in a single operation*, between extremely accurate dies and under heat and tremendous pressure. They are stronger than parts made by any other process.

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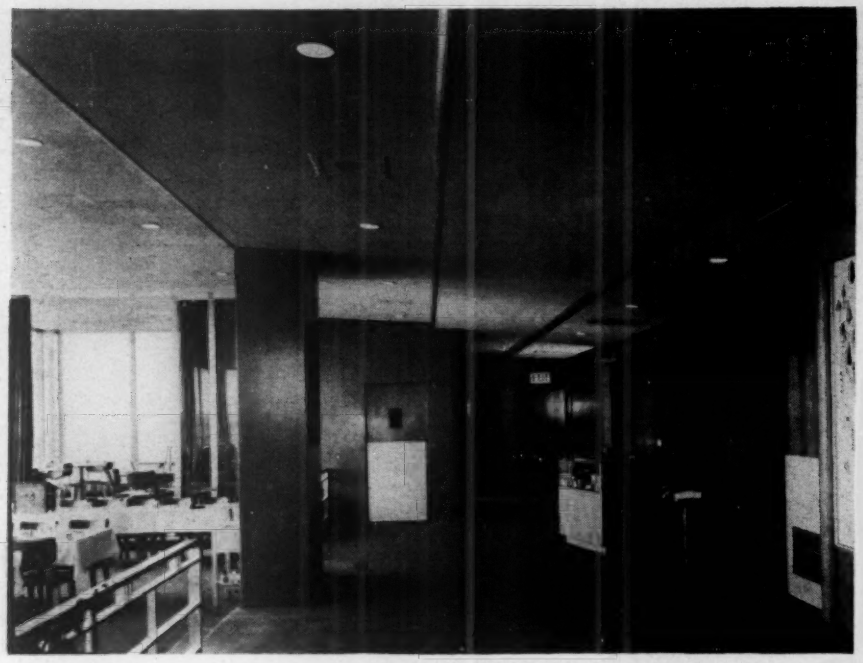

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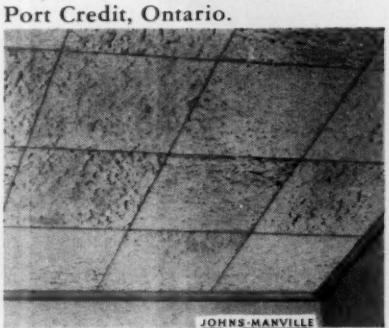
For a complete survey by a J-M acoustical expert, or for a free booklet entitled "Sound Control," write Johns-Manville, Box 158, Dept. US, New York 16, New York. In Canada, write 565 Lakeshore Rd. East, Port Credit, Ontario.



Johns-Manville

40 YEARS OF LEADERSHIP IN THE MANUFACTURE OF ACOUSTICAL MATERIALS

Mr. Moses—"klieg light" bargaining had failed . . .

that of his father, Thomas Moses, for years an official of U. S. Steel Corporation. The older Moses and Mr. Lewis dug coal together in the Illinois mines as youngsters, became lifelong friends. Mr. Moses chose the management route to advancement, Mr. Lewis chose labor.

The elder Mr. Moses became president of the vast H. C. Frick Coke Company, with its many subsidiaries, and later moved to U. S. Steel. There, he and Mr. Lewis signed the first agreement affecting "captive" mines. Unions were a touchy subject then. The two signed as individuals, with no mention of the company or the union. But they saw to it that the agreement was enforced.

The younger Mr. Moses grew up in Illinois, attended public schools and went to Wabash College for two years. Summertimes, he dug coal in the mines of Illinois, Kentucky, Pennsylvania and West Virginia. After college, he worked his way upward through jobs as section foreman, assistant mine manager, mine superintendent.

When his father left the presidency of the Frick Company, the son stepped into that post.

By 1949, he and other operators had grown weary of the incessant conflict with the union, its strikes, Government seizures, and settlements dictated by Government agencies. A group of them sat down together to do some long-range thinking. They came, Mr. Moses says, to these conclusions:

> That "klieg light" bargaining with the union had failed, that "Government intervention each time a dispute arose had led to the settlement of our economic problems on a political basis" and that "both the industry and the United Mine Workers had leadership with sufficient wisdom to solve their own mutual problems without making a public spectacle of their dealings or calling on a politically minded Government for help."

The result was the organization that Mr. Moses now heads and the thus-far highly successful, quiet, private dealings with Mr. Lewis.

Union leader. Mr. Lewis, now 75, and, some think, mellowing a trifle, seems well satisfied with the new way of doing things. After a strident, strife-filled career, he seems to bask in the new era of peace. But, if new conflicts should arise, he is ready to return to the battle.

As things are, however, he keeps close tab on the improving conditions in the coal industry, works closely with Mr. Moses for legislation and adminis-

. . . Mr. Lewis—the pact is "devoid of Marxian babble"

trative decisions that would help the industry along. And much of his time now is taken up with the union's very extensive financial affairs.

The UMW has upward of 40 million dollars in its treasury and 103 million dollars in its welfare fund. The latter was built up by collecting a royalty, now 40 cents and not affected by the new contract, on every ton of coal mined. The fund has collected upward of 800 million dollars and disbursed 700 millions in pensions, hospitalization, medical care and other benefits.

Mr. Lewis regards the welfare fund as his monument. It was negotiated in 1946, with the then Secretary of the Interior Julius Krug at a time when the mines were under Government seizure. Mr. Lewis is intent at all times upon keeping overhead and administrative costs of the fund to a minimum.

The union head also is considered one of Washington's biggest bankers. Some years ago, the union, without official announcement, and with millions to invest, took control of The National Bank of Washington. Later this was merged with the Hamilton National Bank and its nine branches. The National Bank of Washington simply outbid competitors for a controlling interest in the stock of the Hamilton.

Within the United Mine Workers, Mr. Lewis, as always, still is all-powerful. He chooses key union officials, men who are loyal, and the miners remain ready to leave the pits at his say-so. However, he rules over a dwindling domain. At the end of the war there were about 400,000 soft-coal miners. Today the number at work is about 200,000. This is the result of lower total production and of mechanization. Since 1950, Mr. Lewis says, man-day productivity has increased 40 per cent.

To the labor movement as a whole, Mr. Lewis, who once headed the CIO, now is an outsider. He and his UMW have been in and out of both the CIO and the AFL. He prefers now to keep his union independent.

Industrial-relations experts say the Moses-Lewis technique of quiet, two-man head-to-head negotiation is used more frequently than is supposed, but usually in smaller industries or on a local scale. But, for big industry, Mr. Lewis and Mr. Moses have established a successful pattern that is receiving increasing study.

For further details of the Mine Workers' settlement, see Labor Week, page 77.

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Interview with FORMER FIELD MARSHAL KESSELRING

A Top German Commander in World War II

HOW HITLER COULD HAVE WON

Four errors cost Germany World War II—that is the view of former Field Marshal Albert Kesselring, German commander who gave Americans some of their toughest battles.

The errors:

- **Lack of over-all war plans.**
- **Failing to invade Britain in 1940.**
- **Failing to seize Moscow in 1941, before the Russians were fully prepared for war.**
- **Failing to get industry on war footing.**

Kesselring still is convinced Germany could have won. Ten years after his defeat, he tells why in this interview with a Regional Editor of *U.S. News & World Report*.

At BAD OEYNHAUSEN, Germany

Q If you were Hitler and could fight the whole war over again, Marshal Kesselring, what is the single most important thing you would do differently?

A I would have launched full industrial mobilization immediately the war started in 1939. Only 15 per cent of Germany's industrial production was devoted to armaments in 1940, and 19 per cent in 1941. After industrial mobilization began, it rose to 26 per cent in 1942, about 38 per cent in 1943 and 50 per cent in 1944.

From 1942 to 1944 we almost tripled armament output. Tank production rose from 9,300 to 27,000. Aircraft production climbed from 14,500 to 38,000. Production of artillery pieces went from 11,800 to 40,000. Munitions output increased from 1,270,000 tons to 3,350,000 tons.

We did not reach our peak arms output until 1944. If we had started earlier, we could have reached this peak in 1942, or sooner. By 1944, it was too late.

Q Did the Allied air war against Germany play any role in Germany's defeat?

A It was a decisive factor. It broke the backbone of the *Luftwaffe*. Allied air supremacy made possible the amphibious landings in Italy and Normandy and the rapid advance across France and Germany.

Q How do you explain the defeat of the Luftwaffe? Was destruction of Germany's aviation gasoline plants the main reason?

A The fuel shortage, which grounded our planes, was an important factor. But there were many others. Aircraft development was halted in 1940 and not resumed until the end of 1941. If we had continued to build up the *Luftwaffe* in 1940 and 1941, Allied air operations later would never have been successful.

We could have had jet planes in numbers by the end of 1943. The ME-262 could have swept the skies clean over Germany. But Messerschmitt [designer-builder of the "ME" warplanes] committed a blunder. He told Goering [Air Marshal Hermann Goering] the ME-262 could be converted into a night fighter-bomber. A year was lost before he returned to the original fighter design. It was the end of 1944 before this jet fighter was in combat.

By then, Allied bombing had disrupted transportation. Shipment of aircraft parts to assembly plants was hampered. Production schedules fell behind and we only got a handful of ME-262s into the air before the war ended.

In the invasions of Poland and France, we showed the world that air power was vital to victory. The Allies took this lesson seriously. But we forgot about it.

—Wide World

ALBERT KESSELRING

Hitler came from the Army. He had no feeling for air power. He didn't understand it and he permitted the depletion of the *Luftwaffe*.

It was the same with four-engine bombers. We had excellent prototypes as early as 1938. But they were not put into production until years later. If we had gone ahead in 1938, we would have had them in time for an invasion of Britain.

Q How would four-engine bombers have helped?

A The British were able to pull their airfields back beyond range of our planes. Instead of being able to destroy the RAF [Royal Air Force] on the ground, we had to challenge them in air combat.

Q Why are you convinced Britain could have been invaded successfully?

A From my command post on Cape

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German "Mistakes": Failure to Invade Britain, Delay In Industrial Speed-Up, Lost Opportunity at Dunkirk

Gris Nez, I could overlook the entire English Channel. British fighters showed themselves over the Channel only as an exception to the rule.

The air over Holland, Belgium and Northern France was in German possession. British day-bomber attacks, against the coast and our airfields, suffered such heavy casualties that they were given up for some time. Night-bomber attacks achieved nothing worth mentioning.

Even the reports of the German Navy, which opposed the invasion, show that attacks against our embarkation ports on the Channel were bearable. All this indicated that in the event of an invasion, British bomber forces were not likely to be formidable.

During this period, Britain could not have put more than 16 first-class divisions into the field in Southern England. Our greatest danger lay in the Home Fleet. But this could have been dealt with by a concentration of all German naval and air forces.

Until the middle of August, 1940, a properly prepared cross-Channel invasion would certainly have been successful. Later, success would have depended more than ever on the *Luftwaffe* and airborne landings. But a couple of days of concentrated air attack would have carried the invasion across.

WHY BRITAIN WASN'T INVADED—

Q Why wasn't the invasion made?

A The German Navy opposed it. Admiral Raeder demanded complete air supremacy over the Channel. That was bunk. We could have provided a qualified air superiority.

The RAF did not have the strength simultaneously to attack German forces in England, German airfields on the Continent, the Channel ports and swarms of dispersed shipping, as well as giving protection to the British Fleet and land and sea transport.

The main trouble was that Hitler never made up his mind to invade Britain. The invasion was often contemplated but never planned. Planning should have started in November, 1939, if an invasion was really intended.

But Hitler did not want to destroy the British Navy or the British Empire.

Once, in 1943, when I reported to him on British feats of arms, Hitler threw back his shoulders, looked me squarely in the eye and commented: "Of course, they are a Germanic people too."

Hitler had a curious predilection for the British. He believed the British would make peace. But, not understanding the British mind, Hitler offended the British by offering to protect their Empire.

Churchill said, "No!" as only Churchill could say it. "NO!" Ha, that was Churchill's biggest mistake. He should have made peace at the latest by 1943. That is the only way Stalin could have been kept out of Europe.

Q Why weren't the British attacked while trying to escape from Dunkirk?

A It was a strategic error with great consequences. Hitler halted the movements of Panzer Group Kleist at a time when one armored division could have mopped up the entire Dunkirk area. I know, because I looked at it later on the ground. It was an opportunity that comes seldom in war, where you can create a Cannae, a classical battle of annihilation.

Instead, my Air Command was given orders to destroy the remains of the British Expeditionary Force from the air.

–United Press

HITLER AND HIS GENERALS
"He had no feeling for air power"

The campaign in the Low Countries had reduced my squadrons to 30 to 50 per cent of strength. Bad weather and the arrival of the modern Spitfires made the task more difficult.

I told Goering the operation could hardly be carried out successfully, even with fresh forces. But I was told that Goering for some incomprehensible reason had given Hitler his pledge to wipe out the English with his *Luftwaffe*.

We didn't know at the time how important Dunkirk was. We thought there were substantially fewer than 100,000 British and French there. We had no idea that 300,000 escaped from the beaches.

Hitler may also have been influenced by terrain difficulties and repairs needed by overworked tanks. He feared a flanking thrust by the main French forces, which were still intact to our south.

(Continued on next page)

. . . "Hitler became convinced his judgment was infallible"

Q Why was the war in Russia lost?

A A major reason was Hitler's failure to get the Japanese to commit themselves in advance to attack in Siberia.

Originally, when he was worried about Britain, Hitler urged the Japanese to attack Singapore. Foreign Minister von Ribbentrop, in the spring of 1941, agreed with the Japanese that they would not need to attack Russia.

By July, however, Ribbentrop was urging the Japanese frantically to come into the war against Russia. By then it was too late.

DELAY THAT SAVED MOSCOW—

Even so, it would have been possible to strike down Russia in a quick campaign. The Russians had not expected to be ready for war until 1943. Moscow could have been reached and secured before the winter of 1941-42. But Hitler threw away a total of six weeks by long pauses for deliberation between the major operations.

When the attack on Moscow failed, Hitler rejected the advice of his generals, who urged a major retreat for the winter. He ordered the troops to dig in at the outskirts of Moscow.

This order saved the forces from destruction in the subsequent Soviet offensive and preserved the build-up of supplies across Russia. Hitler became convinced that his judgment was infallible. He never trusted his generals again.

From then on, Hitler obstinately forbade his field commanders in Russia ever to give up one yard of ground. Mobility and the war of movement, which had been responsible for earlier victories, were forgotten.

Any movement, except in the direction of the enemy, was suspect as possibly a camouflaged effort at "taking off," which Hitler from his position in the rear could not control.

By holding on to every yard, Hitler could check on everything. He could have the commanders of all lower echelons in his hands and, if he deemed it necessary, could himself join the performance as the archangel with the sword.

Perhaps Hitler was afraid of losing political prestige by ordering retreats. This practically cost him the victory in the Russian campaign.

If the first dig-in order had been on a line somewhat farther back in the winter of 1941-42, the fates of war would have smiled on Hitler. The German divisions would have had time to reinforce themselves and adjust to winter conditions. The Siberian divisions would have been defeated.

Then, in the following campaigns, using mobile striking power, the German Army groups could have waged battles of annihilation against the Soviet forces. At the same time, the drain of the partisan war behind our lines could have been avoided.

The Ukrainians, Byelorussians and Balts had greeted us as liberators. If they had been treated as allies and armed, they could have secured our rear, freeing the entire German forces for a war of movement.

Q When did you decide that the war was lost?

A Victory became impossible after the defeat at Stalingrad in January, 1943, and the subsequent loss of Tunis. But it still would have been possible to fight the war to a draw.

Q Even after the Allied landing in Normandy?

A Yes. The lessons I learned about amphibious landings in Italy never reached the top to be applied in France. The coastal defenses in Normandy and Brittany should have been built in depth. And first-class defenses must be manned by first-class troops. Our divisions in France were either beaten-up outfits returned from Russia or units softened by three years on occupation duty.

Even so, Eisenhower has admitted that the Normandy beachhead could have been contained if the German Fifteenth Army had been redeployed more quickly to Normandy from the Channel coast. If, in addition, the *Luftwaffe* had not been so completely run down, the Allies might have been driven back into the sea.

—United Press

AT BERCHTESGADEN IN 1945
Marshal Kesselring (left) surrendered to U. S. Maj. Gen. Maxwell D. Taylor

It would have been possible to build up a tactical reserve of 30 to 40 divisions before the landing by abandoning the Baltic pocket and Norway. There were 23 divisions tied down in the Baltic pocket alone.

A succession of fortified defense lines could have been constructed across France, much as in Italy. Then, if the Allies had broken through the coastal defenses, they could have been held on successive lines to the east.

Tactics of this kind in the West, combined with a war of movement in Russia, could have produced a stalemate, if air strength had been kept up.

Q Was military co-operation among the Axis powers effective?

A There was no co-ordination with the Japanese. Mussolini entered the war without consulting us, then attacked in

the Balkans and Greece while still bogged down in Africa. We would have been far better off if Italy had remained neutral.

We needed a kind of NATO [North Atlantic Treaty Organization] and didn't have it. The Allies did much better with their Combined Chiefs of Staff.

Q What was your most disagreeable surprise of the war?

A I had many, many.

My worst surprise probably was the Allied landing at Anzio-Nettuno. I expected a landing. For three nights I kept my forces on continuous alert. But the alerts were wearing the troops down, and my staff objected strenuously to continuing them. The night I called off the alert, January 21-22, the Allies landed at Anzio.

THE FIGHTING IN ITALY—

Q How did you manage to fight such a long delaying action in Italy?

A I had good troops, and the Allies made it easy for me.

Firstly, the Allies didn't take advantage of their opportunities to outflank me by sea landings. They claimed later that they didn't have enough ships for major landings. But major landings weren't essential. If every night they had landed a battalion or even a company behind my back, it would have raised hell with me.

Secondly, the U. S. and especially the British commanders stuck to a fixed pattern of operations. Their planes always flew at the same time every day, so we knew precisely when we could use the roads. American front-line units were relieved regularly. Their replacements required several days to become acclimatized. We knew we could depend on these lulls to rest and re-equip our forces.

Thirdly, Allied troops always were given limited objectives, such as capturing a particular hill. We could be sure they would stop there and not go farther on their own. That gave us time to get set for the next push. We could always tell how far U. S. troops would advance because they never dared go beyond their air cover.

Q Wasn't your task aided by the terrain?

A In certain places, like Cassino. But terrain can help both sides. The Allies failed to exploit their terrain advantages.

My greatest stroke of luck was the visit of your Gen. Maxwell Taylor to Rome. You know that he landed by submarine and came secretly to visit Marshal Badoglio [Premier of Italy] before the Italian surrender.

Badoglio told him the Rome airfields were so strongly held by German forces that an airborne landing was impossible. That was an exaggeration. An airborne landing simultaneously with the Salerno landing would have given us plenty of trouble. Taylor's report saved Naples and the Volturno area for us from September, 1943, to May, 1944.

Q Wasn't it General Taylor who accepted your surrender in May, 1945?

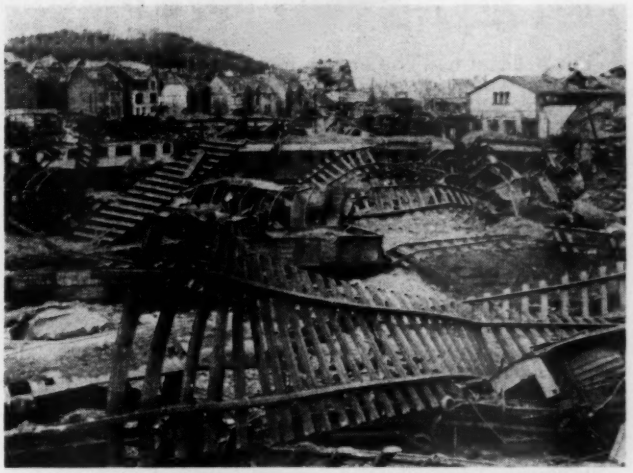
A Yes, at Berchtesgaden in Bavaria, and he treated me in gentlemanly fashion. I've just written him a letter congratulating him on his appointment as Army Chief of Staff.

Q Did the Salerno landing have you worried?

A Those were not very agreeable days for me. My headquarters was bombed and I narrowly escaped. The Italians were surrendering and turning on us, and we were trying to get our forces out intact. Meanwhile, the Allies were landing everywhere. We didn't know where they were going to land next.

(Continued on next page)

THREE TURNING POINTS OF THE WAR



ALLIED BOMBING OF GERMAN TRANSPORT

THE GERMAN DEFEAT AT STALINGRAD

—Dept. of Defense, Sovfoto, Wide World

HITLER'S FAILURE TO DESTROY BRITAIN

"He never made up his mind to invade Britain"

. . . "Britain could have prevented war by pressure on Poles"

But if I had had one or two more divisions, I would have given the Allies a lesson in swimming.

Q Why didn't you move some divisions down from Northern Italy?

A The eight divisions in Northern Italy weren't under my command. They were under Rommel. Hitler refused to let them go south. Rommel wanted me to retreat to Northern Italy, and Hitler at first supported him. He didn't think Central Italy could be defended. I objected and carried my case to the point where I was permitted to hold south of Rome. But evidently I didn't convince Hitler sufficiently to get reinforcements from the North.

Q To what do you attribute the failure of the U. S. 36th Infantry Division to cross the Rapido River in January, 1944 —and the 1,681 casualties it suffered in the process?

A The Allied attack on the Garigliano-Rapido front south of Cassino began January 17-18. It was partly a diversion but also aimed at breaking through the Gustav Line for a link-up with the impending Anzio landing. I reinforced that front immediately with two panzer-grenadier divisions. That made the Allies' task more difficult.

But in any event the frontal attack across the Rapido should never have been made. If the U. S. general who ordered that attack [Gen. Mark W. Clark] had been under my command, I would not have treated him very politely.

Q Why?

A There were high mountains on his flank filled with German artillery, mortars and rocket launchers. We also held strongly fortified positions directly across the river.

An attack on a broad front might have been feasible. But this American division attacked on a narrow front completely blanketed by our artillery. From a military viewpoint, it was an impossible thing to attempt. Only a small number of American troops got across the river and most of those were killed or captured.

The effort was not repeated. The French Expeditionary Corps later did a far more intelligent job by crossing over the mountains north of Cassino.

Q Did the German generals want war?

A The German generals didn't want war in 1939. Their build-up was not scheduled to be completed until 1948. Goering was against the Polish war. Even Hitler didn't want war. He just wanted to regain Danzig and eliminate the Polish Corridor, which was an affront no German could accept.

Britain could have prevented the war just by putting a little pressure on the Poles. But Britain refused.

—Painting by Charles Cundall, from BIS

THE BRITISH ESCAPE FROM DUNKIRK (ARTIST'S CONCEPTION)
"We didn't know at the time how important Dunkirk was"

A CODE ON "CONFLICT OF INTERESTS"

What should a Government official do—or not do—to avoid suspicion that private interests are influencing his public acts?

This question has plagued Government workers for many years. Now Commerce Secretary Weeks provides an official answer. Here is a code of conduct laid down by him for Department of Commerce employes.

Following is full text of that section of an order issued Aug. 23, 1955, by Secretary of Commerce Sinclair Weeks which is devoted to rules for private business transactions of Commerce Department employes:

The regulatory limitations set forth in this section cover private business transactions or private arrangements for personal profit, including economic interests, and private speaking, writing, teaching and consultative services.

1 Gratuities—No officer or employee of the Department may, either individually or as a member of a group, directly or indirectly, ask, accept, or receive any gift, favor, service, loan or entertainment, which might reasonably be interpreted as tending in any degree to influence the performance of his official duties, from any person whom he may reasonably expect to be affected by the performance of his official duties, or with whom he has had, or reasonably may expect to have official relations.

2 Interference with duties—No officer or employee of the Department may engage, directly or indirectly, in any private business transaction or private arrangement for personal profit which tends in any way and or in any substantial degree to interfere with the performance of his duties in the Department.

3 Discredit, criticism, or embarrassment to the Department—No officer or employee of the Department may engage, directly or indirectly, in any private business activity or private arrangement for personal profit which may reasonably be expected to reflect discredit on the Department or become a source of criticism or embarrassment to the Department.

4 Capitalization of official position, information, or resources—No officer or employee of the Department may engage, directly or indirectly, in any private business transaction or private arrangement for personal profit which involves or permits the capitalization of his official title, by himself or others, or which may reasonably be construed by the public as accruing from, being based upon, or utilizing, his official position or authority, or resources or information not available to the general public, to which he has access by reason of his position or authority. (With regard to use of official title in speaking, writing, or teaching, see Section 6.03 3 [which authorizes such use when it is made clear that statements and actions are not of an official nature].)

5 Prejudice to impartial judgment—No officer or employee of the Department may engage, directly or indirectly, in any private business activity or private arrangement for personal profit which may reasonably be expected to result in a conflict of interest which would tend to prevent him from exercising impartial judgment on behalf of the Department.

6 Disqualification when impartial judgment may be prejudiced—No officer or employee of the Department may participate in or attempt to influence in any way, directly or indirectly, any official transaction, or negotiations relating thereto, or decision which affects chiefly any private person or organization (1) by whom he has been employed or with whom he has had any substantial economic interest within two years prior to the time of such transaction of business, (2) with whom he has any substantial economic interest at the time of such transaction or decision, or (3) with whom he has arranged or is negotiating for subsequent employment or business relations, except with express prior authorization as provided for in Section 6.

7 Disclosure of commercial or economic information—No officer or employee of the Department may divulge any restricted commercial or economic information to any unauthorized person; release any commercial or economic information in advance of the time prescribed for its authorized issuance; or make use of, or permit others to make use of, any commercial or economic information for private purposes on a basis of advantage not available to the general public.

8 Speculation—No officer or employee of the Department may participate directly or indirectly in any transaction concerning the purchase or sale of corporate stocks or bonds or commodities for speculative purposes, as distinguished from bona fide investment purposes. (Federal Personnel Manual, C2-26.)

9 Representation of non-Governmental interests by current employees—No officer or employee of the Department may represent any non-governmental interest in any matter which involves any case or matter about which such person has acquired knowledge, or has taken, or may take action in connection with his official duties.

10 Transaction of business with persons who "Change Sides"—No official or employee of the Department shall transact official business with any person who during or within two years after his employment by the United States Government is known, or reasonably believed to be, representing any non-governmental interest in any specific case or matter about which such person has acquired knowledge or has taken action in connection with his official duties, except after prior authorization as provided for in Section 6.

11 Utilization of Government time or resources—No officer or employee shall utilize, or permit others under his control to utilize, Government time or resources, directly or indirectly, for any activity other than (1) official business, or (2) an activity authorized as provided for in Section 6.

12 Instruction for a Civil Service examination—No officer or employee of the Department may instruct, directly or indirectly, or be concerned in any manner with the instruction of, any person or class of persons with a view to their special preparation for a civil service examination (Executive Order No. 9367).

13 Contracts between the Government and its employees—No officer or employee of the Department may enter into a contract with the Government, except after prior authorization, as provided for in Section 6. (See Comptroller General's ruling in 27 Comp. Gen. 735, 736.)

Special Report

(This article represents the result of an extensive research on a problem of outstanding importance.)

FARMERS: LESS POLITICAL STRENGTH, LESS INCOME

Power of the farm bloc, though great, seems to be less than it was years ago.

Laws to help the farmer have rougher going in Congress.

Farmers have fewer votes. Legislators from nominally "rural" districts have more workers and businessmen to consider.

American farmers are bumping up against this problem: As a group, their influence on politics and business is waning.

Figures have been pointing that way for years, as shown in the chart below. Yet the farmer's views and problems have remained a great force in Congress and, to an even greater extent, in State capitols.

Now, however, some farm leaders are beginning to wonder how many years remain before they are swept into a lesser role by the rising tide of city votes. Already, they complain, Congressmen are showing more concern for the urban housewife, who wants lower prices, and less concern for the farmer, who wants higher prices.

This sentiment reached the point where one Representative has proposed that the Government now should have a "Department of Urbiculture."

What actually is happening to the farmers' influence, politically and economically?

Dwindling farm vote. To begin with, there are fewer farmers. A massive trek away from the farms has been in progress since early in World War II, at a time when the rest of the population has been increasing rapidly.

As a result, only about 22.2 million people live on farms today, compared with 30.5 million in 1940, according to Government census figures. The farm group is only about 13 per cent of the total U. S. population, compared with 23 per cent in 1940.

Fewer farmers means fewer votes. Other estimates indicate that about 20 per cent of all people of voting age lived on farms in 1940; now about 12 per cent of the potential voters are farm people. By 1960, if the present trend continues, the potential farm vote will be less than 10 per cent of the total.

In local elections, in State legislatures and in Congress, however, the power of the farm bloc remains great. This is shown by two recent studies.

The farm bloc in Congress. Democratic Party workers analyzed 23 Northern States that have 226 Representatives in Congress. They concluded that 102 of these, or 45 per cent, hail from districts with "a heavy agricultural interest."

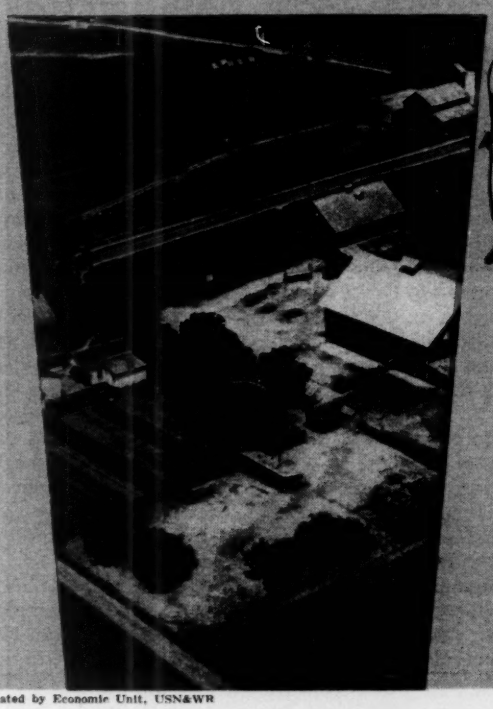
Republicans hold 81 of those "farm" seats, the Democrats say.

Another study, presented to a farm organization, indicates that 53 per cent of all members of the House of Repre-

FEWER FARMERS, A SMALLER SHARE OF INCOME

Farmers make up less and less of the nation's population.

	Farm portion of U.S. population
1910	34.7%
1920	30.0%
1930	24.8%
1940	23.1%
1950	16.5%
1955 (estimate)	13.4%



Farmers, as a group, are getting less and less of the nation's income.

	Farmers' share of national income
1910	16.0%
1920	13.9%
1930	8.3%
1940	8.1%
1950	8.0%
1955 (estimate)	5.5%

Source: 1910-50, U. S. Department of Agriculture; 1955 estimated by Economic Unit, USN&WR

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sentatives come from districts where agriculture is "of major enough importance that it can't be disregarded." This farm bloc, however, will be reduced to 34 per cent by 1970, the figures indicated.

Other information, drawn from census reports, suggests to some analysts that the politicians are, even today, tending to overestimate the importance of the farm group.

Out of 203 Republicans in the House of Representatives, only about 45 come from election districts in which farming accounts for 20 per cent or more of the total employment.

Farming, it seems, does not provide as many as half the jobs in a single Republican district, not even in the heart of the corn and wheat belts.

Take Indiana for an example. It has 11 seats in Congress—two of them now held by Democrats, the rest by Republicans. Farming provides less than 10 per cent of the jobs in three districts, from 10 to 20 per cent in six districts, and from 20 to 30 per cent in two.

In other words, farming accounts for less than one third of the employment in every district in that State and less than one fifth of the employment in nine out of 11 districts.

Yet Indiana is often described as a "farm" State.

The employment figures for the third congressional district in Maine are interesting. This is an area that is known throughout the country for its potatoes and is always classed by politicians as a "farm" district. Only 15 per cent of the jobs there are on farms.

Outside the South, the States where farm votes count most in congressional elections are Iowa, Minnesota, Wisconsin, Nebraska, North Dakota and South Dakota. In these States, farming provides 30 to 50 per cent of the jobs in some districts.

Iowa, for instance, has eight congressional districts. Farming provides less than 20 per cent of the jobs in one of these, from 20 to 30 per cent in three, and from 30 to 40 per cent in the remaining four. North Dakota's two Representatives, elected at large, can figure that about 45 per cent of the State's employment takes place on farms.

Elsewhere in the North and West, farming is less important as a provider of work.

Sources of farm strength. Why do politicians rate the farmer so powerful in the face of these figures? There are two reasons.

One is that employment on farms is not the whole story. Many people who are working as businessmen and salespeople in small towns depend on the farmer for their livelihood. As a result they tend frequently, though not always, to side with him on political questions.

Another factor is the rising power of

(Continued on page 70)

"You call this a 'rat trap'?"

Strange name maybe. But that's what packaging men have labeled this ingenious corrugated pad. The name doesn't mean anything...it's just that the pad looked like the originator's idea of a rat trap. The pad fits snugly inside an H & D shipper, braces corners and suspends the product.

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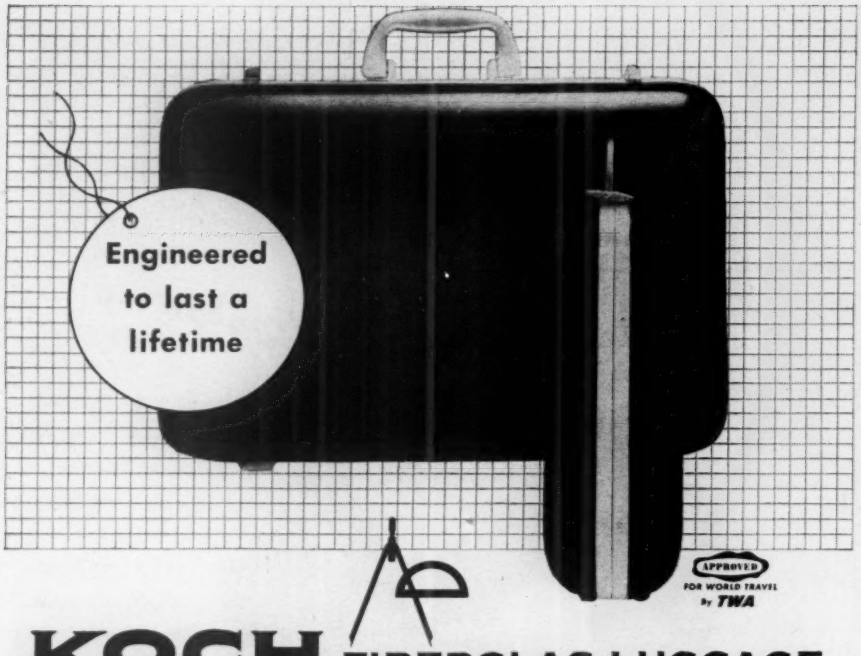

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Buying power of farmer has been declining . . .

the prosperous individual farmer. Farms are becoming bigger. In 1940, the average producer had an investment of $7,000, over and above his debts; today, the average is about $27,000. In the most prosperous farm areas of the Midwest, it is not unusual for farmers to be "worth" $80,000 to $100,000.

Those farmers who have kept pace with that growth in assets are likely to be important individuals in their communities. Their views may carry more weight with their Congressmen than did those of the many more smaller farmers of a decade or so ago.

Thus, the group retains influence beyond its mere numbers. It can sometimes hold the balance of power and swing elections, when there is a close contest between the two major political parties. But its ability to cast such deciding votes is diminishing.

The basic fact is that farmers do not have nearly as many votes to cast as they once did, and their voting strength is going down and down.

Less economic power. At a time when his political strength is waning, the farmer also finds himself losing some economic status.

All during the 1930s, there was a tendency to emphasize the farmer's role in the economy. Many economists and politicians traced the depression to hard times on the farms in the 1920s.

Now the farmers as a group have been going down an economic slide since 1948, and the rest of the country has grown more prosperous. So there is a growing feeling among economists that what happens to the farmer is not so important to the economy as a whole as it used to be.

The chief reason is seen in the fact that farming accounts for a smaller part of the nation's business. Here is one measure of that: Back in the 1920s, net income from farming ran about 10 per cent of the national income, and, during World War II, agriculture's share increased until it reached 10.8 per cent in 1946. Now, in 1955, the income from agriculture is about 5.5 per cent, even less than in the depression.

For the individual farmer, however, the showing is not so bad. Declining income is being divided among a smaller number of producers. Still, the income of the average farmer is less than it was a few years ago, while incomes off the farm have increased.

But, as in the case of political power, there are some offsetting factors that make the farmer more important than his meager share of national income suggests.

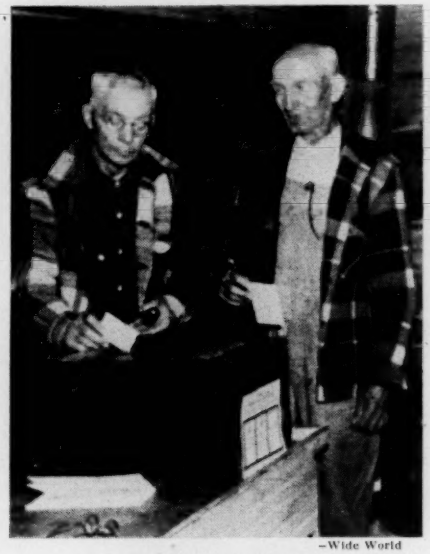
For one thing, that income is figured

. . . Agriculture vote still carries much weight

after deducting the farmer's costs. It measures what he has left to spend for food, clothing and other living expenses. As compared with other folks, he is not nearly as important a consumer of these things as he used to be.

At the same time, the farmer has become more important as a buyer of industrial goods. A great farm-machinery industry has grown up around him. He is now a bigger consumer of oil and gas, fertilizers, insecticides, manufactured feeds and many other products. He uses more electricity and is more likely to have a telephone.

Spending for industrial goods, however, only partly offsets the drop in the farmer's net income. After allowing for his business spending, he is less important as a purchaser of goods than he was in the 1920s, or in the worst years of the depression.



—Wide World

THE FARM VOTE
. . . influence beyond its numbers?

Of course, politicians and others in many States still are convinced that prosperity in agriculture is essential if the nation as a whole is to be prosperous. They still pay careful attention to the wishes of the farm voters. But the figures show that the basic factors that contributed to the farmers' economic and political position are weakening.

Farmers are becoming a smaller group, and their sales and purchases are becoming a smaller part of the nation's business. Overshadowing the great strides of modern agriculture are the growth of the cities and suburbs and the expansion of urban industry.

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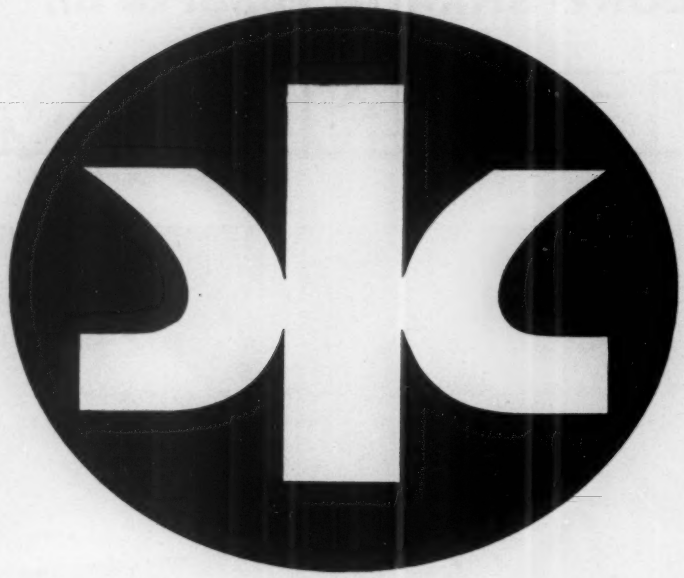

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News YOU Can Use ®

IN YOUR PERSONAL PLANNING

24th and N Streets, N.W.
Washington, D.C.

You get new details now about the program that gives youths under 18½ a chance to take six months' military training in place of the regular two-year draft.

RESERVE PROGRAM. The Army announces that it now is accepting enlistments in this program for teen-age youths. First ones to go into uniform will start their training around October 1. From then until June 30, 1956, these volunteers will be taken in at a rate of about 10,000 a month.

The Marine Corps over the same period will take a total of 5,500 under the program recently authorized by Congress. But machinery to accept Marine enlistments isn't ready yet. Navy, Air Force and Coast Guard have set no plans.

Youths between the ages of 17 and 18½ can apply for Army training. After volunteering they go to regular basic training camps for six months of active-duty training. Then they return to civilian life and begin seven and one-half years of participation in a Reserve unit. That means weekly drills and summer camps. Those who dodge Reserve duties get put at the top of regular draft lists.

PAY AND BENEFITS. Youths can enroll in, or get information from, the Reserve units nearest them. Youngsters under 18 need their parents' consent to enlist. And no one can volunteer who has already been tapped by his draft board for call-up.

In his six months' active duty, the reservist draws $50 a month pay, and enjoys most of the benefits a serviceman gets. He receives no mustering-out pay, though, can't convert his GI insurance and has no veterans' preference in civil-service jobs.

HIGH-SCHOOL STUDENTS. Teen-agers still in high school can sign up, but won't be called for their six months' training until they graduate, quit school or become 20. Eligible college students who apply can't get this postponement.

Note, too, that the enlistment is into Reserve units--and some areas don't have any. Youths living in these places may find it impossible to get into the program. However, if they get drafted, they have only a six-year instead of an eight-year military obligation, as other current draftees do.

DISASTER HELP. Questions arise about what help a homeowner can get from the Government in repairing or replacing property damaged in disasters such as the floods and hurricanes that ripped the East. Here's a size-up:

When a disaster area is declared, Government agencies can step in with

(over)

emergency help. The Federal Housing Administration, for example, can set up more liberal loan insurance rules than for regular FHA financing.

The Small Business Administration can make loans, at 3 per cent interest, to homeowners as well as to businessmen where regular credit is tight. Veterans' Administration has measures it can take to ease disaster problems of World War II and post-Korea veterans. Also, the Farmers Home Administration has a fund for 3 per cent loans to farmers who cannot get other financing.

SOCIAL SECURITY. If you're self-employed, the federal tax collector now will let you fork over your Social Security taxes on a pay-as-you-go basis. That's set out in an official ruling. You include them with the quarterly payments of your estimated income tax. This procedure makes it a bit easier on the pocketbook, but has no effect on how payments count in figuring your benefits.

GIFTS. The Internal Revenue Service backs down from a previous stand on a tax question involving products a farmer gives away. Formerly, he had to include in his income--for the year he made the gift--the fair market value of, say, livestock given a son, or the wheat crop on land given away. IRS now says this isn't necessary--such products aren't income unless he sells them. But since he thus eliminates them from his income, IRS adds, he must likewise eliminate the cost of producing them in figuring out his tax.

The ruling also holds for gifts a businessman makes of items he sells.

DRAFT. This to settle a point about the military obligation of draftees which seems to be bothering readers: A youth who is drafted, under present rules, before he has passed the age of 26 has a six-year obligation--two on active duty and four in the Reserves. One drafted after his 27th birthday has no Reserve obligation. The normal end of draft liability comes at age 26, but is extended to age 35 when a man is deferred --for example, as a college student, an essential worker, or as a 4-F.

INSECTICIDES. A fresh warning against the dangers of poisoning through improper use or careless handling of chlordane comes from the committee on pesticides of the American Medical Association. Use of this effective insect killer should be limited to spot treatment such as around doors, windows or kitchen baseboards, the AMA committee says. It cautions against using chlordane in areas frequented by children, in waxes and polishes that touch the skin, and against slow liberation of fumes--especially in closed, heated rooms.

PRODUCTS. More "things to come" items that may roll from production lines as result of recent developments: (1) a cheap, wood-fiber building board that lets air through but screens out deadly gases, disease-laden particles or radioactive fall-out; (2) radar screens on automobile grilles to monitor the road ahead and automatically brake cars to a stop, preventing collisions; (3) equipment that would supply a helium-oxygen mixture--a combination said to enable a man to work 12 hours a day without fatigue and do 6 hours' work in 4.

MAIL. What happens to an air mail letter you post when planes are grounded by a storm? The Post Office says it is sent by rail if putting it on a train would get it to its destination faster than holding it for a later flight.

Senate Committee Reports—

TV HAS "GREATER IMPACT" ON CHILDREN THAN MOVIES, RADIO

Do crime programs on television contribute to juvenile delinquency?

A Senate subcommittee investigating this problem comes to the conclusion that there is a risk in some of the programs that TV offers to children.

To protect children against this danger, the Senators recommend that official control over TV should be tightened, and that parents should keep close watch over broadcasts.

Here is the investigating subcommittee's summary of its report, with an accompanying statement by Senator Estes Kefauver (Dem.), of Tennessee, subcommittee chairman.

SUBCOMMITTEE REPORT: A "CALCULATED RISK" FOR CHILDREN?

The official summary of the report on television issued by the Senate Subcommittee to Investigate Juvenile Delinquency was signed by Senator Estes Kefauver (Dem.), of Tennessee, chairman, and by the members, Senator Thomas C. Hennings, Jr. (Dem.), of Missouri, Senator Price Daniel (Dem.), of Texas, Senator William Langer (Rep.), of North Dakota, and Senator Alexander Wiley (Rep.), of Wisconsin. Full text of the summary, issued Aug. 26, 1955, follows:

The Senate Subcommittee to Investigate Juvenile Delinquency, in a report on television made public today, questioned whether the industry was taking a "calculated risk" by depicting crime and violence on programs presented during children's viewing hours.

The report said the Subcommittee "has been unable to gather proof of a direct causal relationship between the viewing of acts of crime and violence and the actual performance of criminal deeds."

However, the report continued, the Subcommittee has not found "irrefutable evidence that young people may not be negatively influenced in their present-day behavior by the saturated exposure they now receive to picture and drama based on an underlying theme of lawlessness and crime which depict human violence."

The report then concluded that "in the light of the evidence that there is a calculated risk incurred through the repeated exposure of young boys and girls, even of tender age, to ruthless, unethical forms of behavior, the Subcommittee believes it would be wise to minimize this risk insofar as possible."

To achieve this end, the Subcommittee recommended:

1. Formation by citizens groups of local "listening councils" to ensure good television programing.

2. Stricter control of television programing by the Federal Communications Commission, as well as authority for the FCC to levy fines and revoke the licenses of stations violating an established code.

3. "Collective" responsibility of station managers for programing, with 100 per cent membership by television stations in an organization like the National Association of Radio and Television Broadcasters suggested as a first step toward "collective" responsibility.

4. Extension of the NARTB Code to include movies produced for television.

5. Further research by private and public foundations into the effects of television on children's behavior.

6. The immediate establishment, by legislation, of a presidential commission to study the mass media and to report periodically on practices and materials used by the mass media which might have detrimental effects on children and youth.

The presidential commission would be composed of "outstanding men and women, fitted by their knowledge and experience to serve on such a body," which the Subcommittee contemplates should be in existence "for a limited time only." The members would serve without compensation and be assisted by a small, highly trained staff.

The Subcommittee's report was based on testimony received at hearings held in New York City on June 5, 1954, and in Washington, D. C., on October 19 and 20, 1954, and April 6 and 7, 1955. This material was supplemented by several staff studies of the TV industry and by surveys of TV programs seen in Atlanta, Chicago, Cleveland, Dallas, Denver, Kansas City, Philadelphia, San Francisco, Seattle and Washington, D. C.

Opinions on the possible detrimental effects upon children of crime and violence presented over TV were also received from 34 psychiatrists throughout the country, whose comments are included in an appendix to the report.

The report was part two of a three-part study of the effect of crime and violence portrayed in the mass media. Prior to the television hearings, crime and horror comics were surveyed. More recently, crime and violence in the movies were investigated by the Subcommittee.

In the report, the Subcommittee reaches the conclusion that "there is reason to believe that television crime programs

. . . "It is difficult . . . to explain the abundance of crime programs"

are potentially much more injurious to children and young people than motion pictures, radio, or comic books."

The report points out:

"Attending a movie requires money and the physical effort of leaving the home, so an average child's exposure to films in the theater tends to be limited to a few hours a week.

"Comic books demand strong imaginary projections. Also, they must be sought out and purchased.

"But television, available at a flick of a knob and combining visual and audible aspects into a 'live' story, has a greater impact upon its child audience."

The Subcommittee drew several general conclusions about many of the programs presented during children's viewing hours. On television, the report found:

"Life is cheap; death, suffering, sadism and brutality are subjects of callous indifference and judges, lawyers and law-enforcement officers are too often dishonest, incompetent and stupid.

"The manner and frequency with which crime through this medium is brought before the eyes and ears of American children indicates inadequate regard for psychological and social consequences."

The greatest danger of such programs, the Subcommittee said, was that they are "sought out by those children who are least able to tolerate this kind of material."

The opinions of witnesses before the Subcommittee who testified that a relationship existed between juvenile delinquency and TV crime and violence were summarized this way in the report:

1. "The well-adjusted child may well be able to tolerate added tension that would be acquired through viewing television, but the emotionally crippled or damaged youngster may have very little tolerance for this added tension that has been introduced into his life through the television set in the front room."

2. "Scenes of crime and violence may well teach techniques of crime." (The police chiefs of Boston, New Haven and other cities told the Subcommittee of children taken into custody who claimed they picked up their ideas and techniques from watching crime shows.)

3. "Acts of crime and violence may provide both suggestions and a kind of support for the hostile child, leading him to imitate these acts in expression of his own aggression."

4. "Repeated exposures to scenes of crime and violence may well blunt and callous human sensitivity to, and sympathy for, human suffering and distress."

In general, the Subcommittee found that while viewing or reading about a specific act will not cause an average child to go out and commit a similar act, "reading and looking at a great amount of these acts could create on impressionable minds a permissive atmosphere for this type of behavior—an atmosphere of acceptance—which can result in increasing behavior of this nature."

The Subcommittee expressed concern with the "cumulative effect" of prolonged exposure to TV crime and violence in reporting surveys conducted by educational and parent groups which showed that some students spend as much time watching television as they do in school.

One such survey, the report states, revealed that the heaviest concentration of television viewing by juveniles was among children in the 5 to 6-year-old age group, who watched television an average of four hours a day.

In discussing the NARTB Code, the report said:

"The check points (of the NARTB Code) are either bypassed or are ineffective in many instances. It is difficult by any other approach to explain the abundance of programs dealing with crime and violence on television in the United States."

The Subcommittee also reported that monitoring by its staff and other research groups "reveals the fact that the chasm between what the television people feel is good programing and what is actually telecast is indeed a wide one."

KEFAUVER: GOAL IS BETTER TV "FOR OUR YOUNG PEOPLE"

Following is full text of a statement by Senator Kefauver, chairman of the Senate Subcommittee to Investigate Juvenile Delinquency, issued August 26:

Considerable time and effort has been devoted to the preparation of this report on television, not only by a subcommittee of the United States Congress, but by the industry itself and by interested professionals in the field of education, mass communications, the social sciences and human behavior.

We launched this project with no preconceived ideas and no predispositions.

We checked and rechecked our findings.

We heard testimony from all who desired to be heard.

This was recognized by the television industry. The assistance and co-operation of its representatives have aided us greatly.

The television industry realized that we were not investigating the entire programing system, but only that part of it which appeared to rely too heavily on crime and violence.

It is the Subcommittee's sincere hope that better programing for our young people will result from the investigation.

The Subcommittee did not concern itself with the excellent children's programs produced by the networks and individual stations, nor the many outstanding public-service telecasts suitable for viewers of all ages of which the industry is rightfully proud.

The scope of our study was limited by our objective: the possible causal effect of televised crime and violence on juvenile delinquency.

I believe our recommendations are sound. They are based upon the considered opinions of authorities in many fields related to child behavior who appeared before our Subcommittee, as well as staff studies and independent surveys.

A few of these recommendations can be carried out by congressional legislation and executive order. The majority, however, can be made effective only by individual parents and by responsible leaders in the television industry.

I ask that every consideration be given to the Subcommittee's findings and conclusions, for they are aimed at ensuring that our children will develop in a healthy atmosphere while they enjoy all the wonderful benefits of television.

PAY RAISES ARE BIGGER THIS YEAR

Three Times 1954's in Some Industries

Despite all the talk about a guaranteed annual wage, most workers this year have settled for hourly-pay raises instead.

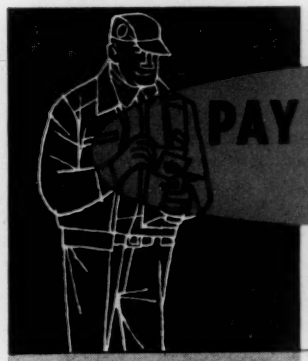
The increases they have won may indicate why: Hikes range from 6 to 15 cents an hour. This is more than 1954's gains.

Apparently the workers see more raises not far ahead. The majority of unions are accepting short-term contracts.

Wage rates now are fixed for at least another year in most of the big industries of the country. As a result, it now is possible to size up the gains that workers are making in this latest round of pay increase:

- Raises are varying in size from 6 to 15 cents an hour in industries that sometimes set a pattern for other lines of business. There is no country-wide pattern this year. Increases generally are higher than those of 1954.
- Now and then, an employer is finding it possible to give workers three times as big a pay raise as he gave them last year. In the steel industry, for example, this year's increase was 15 cents an hour, against 5 cents in 1954.
- The campaign for a guaranteed annual wage, pushed hard by the CIO Auto Workers, has less steam behind it than some people expected it would have. Unions and employers, generally, are rather cool to the idea of substituting layoff pay for annual wage increases.
- Long-term contracts are not popular. Most unions are signing for one or two years, with the right to ask for new raises next year. A few unions, however, are taking three-year or five-year contracts.
- Cost-of-living clauses, although discarded by some unions, are starting to bring wage increases once more after a period when the official index remained about level. Auto Workers are getting an extra 1-cent raise as a result of the latest cost-of-living adjustment.
- Fringe benefits such as vacations, pensions, insurance continue to be popular with unions. About a third of the 1955 settlements show larger pension and welfare benefits.

Those are the general characteristics



PAY RAISES—1955 ROUND

(Straight-time hourly wages)

	Before Raise	After Raise	Amount Of Raise In 1955
SOFT COAL	$2.28	$2.43	15 cents
STEEL	$2.09	$2.24	15 cents
ALUMINUM	$1.99	$2.14	15 cents
COPPER MINING	$1.98	$2.12	14 cents
MEAT PACKING	$1.91	$2.05	14 cents
TIN CANS	$1.94	$2.07	13 cents
PRESSED GLASS	$1.83	$1.955	12.5 cents
CONSTRUCTION	$2.83	$2.93	10 cents
OIL REFINING	$2.37	$2.47	10 cents
PAPER	$1.80	$1.89	9 cents
AUTOS	$2.11	$2.20	9 cents*
FLAT GLASS	$2.43	$2.51	8 cents
AIRCRAFT	$2.07	$2.14	7 cents
ELECTRICAL APPLIANCES	$1.89	$1.95	6 cents

In addition to the above raises, some contracts carry future increases, fringe benefits.

*Includes 1-cent raise under cost-of-living formula.

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[*continued*]

PAY RAISES ARE BIGGER THIS YEAR

of the 1955 wage settlements. But there were wide variations from industry to industry.

Boost for coal miners. In soft coal, after three years without a pay raise, miners are getting an increase of 15 cents an hour, with an additional raise of 10 cents due next April. That was the basis of an agreement negotiated secretly by John L. Lewis and Northern operators. Mr. Lewis then advised Southern and Western operators that they were expected to meet the same terms or face a strike this autumn.

The 15-cent raise is the same as that won earlier by CIO Steelworkers, although the steel contracts do not provide for additional increases next spring. The steel contract expires June 30, 1956. The union can file new demands then.

The mine agreement had two "fringe" items: an increase in vacation pay and premium pay for week-end work, even when part of a five-day schedule. But Mr. Lewis made it clear that he wanted no part of the CIO drive for an annual wage.

The coal agreement, Mr. Lewis stated, "is devoid of Marxian babble, and contains no wind or water." This was interpreted by some other labor leaders as a dig at Auto Union contracts, with their plan for layoff pay to supplement State unemployment benefits.

Cost-of-living raise. The auto agreements, starting with a Ford contract in June, provided wage increases averaging about 8 cents an hour, plus fringe benefits bringing the total "package" to about 20 cents, according to Auto Union estimates.

An extra penny an hour now is being added to that raise under terms of the cost-of-living clause in the auto agreements. The Government's index of consumer prices went up enough to give the pay raise of 1 cent at this time. Adjustments, made every three months, could bring additional increases later if prices continue upward, or pay cuts if prices decline.

Miners in the soft-coal fields continue to earn more on an hourly basis than the average steelworker or auto worker. But the auto worker has been getting more per week than a miner because of the shorter work week in coal. After the second raise, in April, miners will earn slightly more than $100 a week when working five days. Steelworkers and auto workers earn about that figure.

The raise of 15 cents won by Mr. Lewis is one of the largest marked up in a major industry this year.

In steel and aluminum, this year's raise of 15 cents compares with 5 cents given during 1954.

In copper mining, settlements are running close to a 14-cent figure on pay raises, although they vary from firm to firm. The 1954 raise was 5 cents an hour.

Meat-packing firms, which gave 5 cents last year, are granting 14-cent increases in the 1955 round.

Can manufacturers granted pay raises averaging 13 cents an hour this year. Contracts with the CIO Steelworkers also provided for layoff pay, with benefits to run up to 52 weeks in any one layoff.

Smaller settlements. Not all industries, however, have been giving raises of this size. Increases of about 5 cents an hour were more numerous than those of 10 cents. A survey by the Bureau of National Affairs, Inc., shows that out of 2,510 agreements giving wage increases so far this year, 1,079 contracts called for increases of 4 through 6 cents an hour. There were 673 contracts for raises of 10 cents or more.

The CIO Electrical Workers Union accepted a wage offer of General Electric Company calling for pay raises averaging about 6 cents an hour for 1955, with additional raises each year for five years.

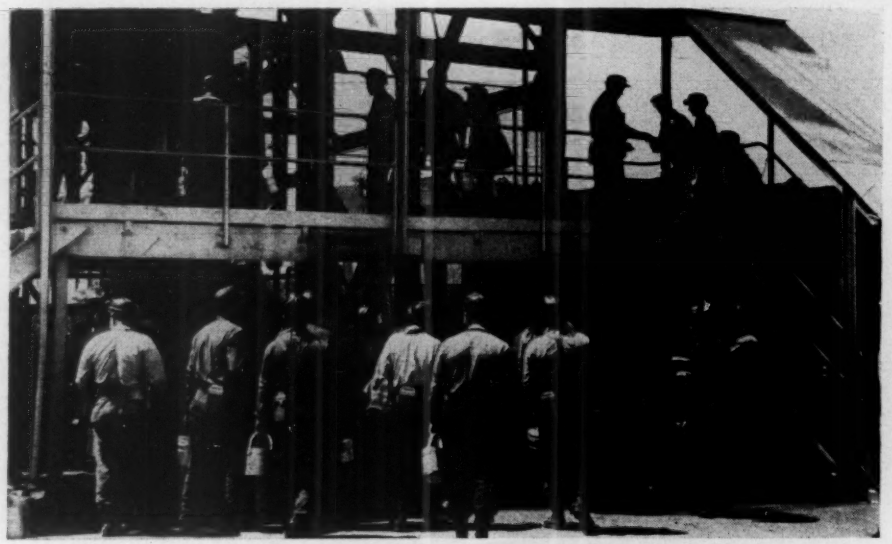
Few big strikes. The 1955 round of wage increases has been marked with relatively few strikes in the big industries, although many individual companies have run into strikes while resisting union wage demands.

Brief strikes, for a few hours or a few days, occurred in steel and in the Ford and General Motors disputes. Coal again avoided an industry-wide strike. Meat packing settled without strikes, as did various others.

A copper strike lasted 43 days in one company before an agreement was reached. There also were strikes in various industries that dragged on for many weeks, occasionally lasting a year or more.

CIO Auto Workers struck last week against 18 plants of International Harvester Company despite a company offer to boost wages 10 cents an hour and grant layoff pay.

Settlements still have not been reached in a few other industries, but labor experts believe that for all practical purposes the 1955 round of wage increases is just about ended.



SOFT-COAL MINERS
The annual wage could wait

State Labor Bills In '55—the Score

Legislation to prohibit the "union shop" has made little headway among the States this year. But legislatures, at the same time, have passed a number of laws opposed by labor unions.

Those conclusions are drawn from a study just issued by a committee of the American Bar Association.

"Right to work." The so-called "right to work" bills, aimed at outlawing the

"union shop," provided most of the year's legislative battles for labor leaders.

The committee reports that Utah enacted one of these laws, to become the eighteenth State with such legislation; that the Kansas Legislature passed a similar bill, but the Governor vetoed it. However, the report adds that later Kansas amended its labor law to ban the "closed shop."

The Taft-Hartley Act prohibits the "closed shop"—under which only union members can be hired—but allows the "union shop" except where States adopt their own laws to ban it. Under a "union shop" contract, an employer can hire nonunion workers, but they soon must join the union to retain their jobs.

The study shows that attempts to put the "right to work" laws on the books failed in nine States: Colorado, Connecticut, Idaho, Indiana, Maryland, Massachusetts, Minnesota, Missouri and West Virginia. On the other hand, attempts to repeal these laws failed in five States—Arkansas, Iowa, Nevada, North Dakota and South Carolina.

South Dakota, it was explained, passed a law directing county attorneys to prosecute vigorously violators of the "right to work" law already in effect.

Union setbacks. Among other State legislative efforts mentioned in the report, unions received setbacks in four instances:

- Kansas outlawed jurisdictional strikes and secondary boycotts; made it an unlawful practice to violate a labor contract, to strike or enter into a "union shop" agreement without an approving vote by a majority of the workers, or to check off dues without written authorization of the worker.
- Rhode Island passed laws permitting unions to sue for breach of the bargaining contract and permitting the check-off of union dues only when a majority of the members of the bargaining unit have authorized it in writing.
- Texas passed legislation outlawing picketing by a union that does not represent a majority of the workers in the shop being picketed.
- Wisconsin put a law on the books prohibiting unions from making contributions for any political purpose.

The report also covered State court decisions on labor matters. Here the unions appeared to win about as many major cases as they lost.

An Oregon decision, for example, held that a section of the State's labor-relations law is unconstitutional because it outlawed picketing without regard to the objectives or methods. The same decision, however, upheld an injunction against picketing issued under another section of this law. The union was trying to force the employer to sign a "union shop" contract, the court held.

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WHAT'S WRONG with RUSSIA'S FARMS

[Continued from page 31]

family can draw on its reserves in a bad year. And in peak seasons you have the farmer working longer hours and the wife helping to get the job done.

Q Haven't the Russians recently been creating even bigger farms by merging several collectives into one?

A They have more than cut the number of collectives in half. They now have 89,000 collective farms and about 5,000 state farms.

Q What is the difference between a state farm and a collective farm?

A A collective is farmed co-operatively by a group of peasants who deliver to the Government a specified amount of crops and livestock products to "pay their taxes." The peasants are directed by a farm chairman, whom they elect—usually without any dissenting votes. They share the profits.

In a state-farm setup, the workers take their orders from a director appointed by the Government. They get a basic wage supplemented by bonuses if the farm exceeds its quota. Generally speaking, state farms are set up as "model" farms or in areas of low population where collectives are not feasible.

Q Why are the collectives being merged?

A There are certain advantages they claim from the angle of machinery and technical supervision. They also want to give the farmers, they say, more of the benefits of city life, in the way of better schools and medical care.

Q What is the chief bad effect stemming from bigness in Soviet farming? Does it result in lower yields?

A Yes, I think they lose some in yields. But the chief loss is in efficiency and waste of manpower. You just can't supervise that many people closely enough over such a wide area. In fact, it is awfully hard to supervise an agricultural worker at all. So it's much better to have the incentive built into each individual, which you do have in your small peasant farmer in Western Europe.

The Soviet collective farmer gets paid according to a highly complicated piecework system, which is supposed to provide incentive. But in effect, like the worker on a state farm, he is really a wage hand. We employ wage hands on American farms, too. But they are well paid and few in number compared to members of the farm family. Family-owned, family-operated farms provide the kind of profit incentive which is one of the main things lacking in Soviet agriculture.

Q Suppose you took over a small collective farm in Russia and could use your American machinery. With Soviet soil, climate, transportation and local services to cope with, how much do you think you could increase the yields over a period of four or five years?

A I have a low ulcer point. I don't think I would want the management problems with so many laborers around. On a typical collective there are the chairman, assistant chairman, two or three or four bookkeepers, several brigade leaders plus the tractor drivers, technical agronomists and the veterinarian from the machine and tractor station. If these supervisory people would go to work in the same sense that American farmers work, they could almost run the farm themselves.

Q And how much could they increase the yields?

A Not much, I'm afraid. I think their yields are largely limited by the climate and rainfall. You could, through greater

POSTER BOOSTS CORN PRODUCTION
"They won't get near the yield that we get"

ANTI-AMERICAN POSTERS ON BILLBOARD
"The people themselves were very friendly"

. . . "I found fairly good highways throughout Russia"

efficiency, save manpower. But, for increased production, apart from the "new lands" in Kazakhstan and Siberia, their only remaining potential would be in irrigation. They are working in that direction, and it probably could be carried further profitably.

Russia has an extensive river system. We saw some irrigated land. In the middle-Asia area around Tashkent and Alma-Ata there are wonderful irrigated cotton fields, and they seem to be doing a fairly good job there.

Q Is something wrong with Soviet farm machinery? Does that explain why they use so much manpower on their farms?

A Well, I think they have a fetish about large machinery. Sometimes it is so large and cumbersome that it doesn't look too practical. For instance, I drove a large self-propelled mowing machine that had one sickle bar in front and two sickles on each side. It took five swaths at a time. In my opinion, two light tractors with one sickle apiece, considering stoppages and turning time and everything, would mow as much hay in a day.

Q Do you mean the farms are overmechanized?

A No, I wouldn't say overmechanized as to amount of equipment, but I think their equipment is too large and inflexible. Most of their tractors are the tread type, with tracks, and they aren't flexible enough. They also have a large number of horses on these farms—about 16 million altogether. This is a duplication of power, and they will find, I think, as we have found in America, that as they get rid of the horses they will need more small tractors.

Q Why do they have all these horses? Do they need them?

A Horses may be of some strategic value in case of war. There's also the problem of local transportation. In a typical collective farm with 500 families, the collective will have a dozen trucks and only the chairman and two or three others will have cars. So I think the horses are used mostly for transportation to and from the fields and to the market with the farmers' garden produce.

Q Aren't the horses used to pull the machines in the fields?

A No, the plowing was all done with these large tractors. The horses were used mostly for hauling wagons.

Q It isn't the lack of roads good enough for cars that makes them use horses—is it the lack of cars?

A That's right. I found fairly good highways throughout Russia. Of course, you have to use the back roads when you go to the farms, but they have some very good highways. The highway from Moscow down to the Baku oil fields is almost a superhighway. And they are building something like motels along the highway where the tourist can get his car serviced and stay overnight.

Q You mean motels with neon signs?

A No, they don't need the signs over there. There isn't any competition.

Q When you talk about good roads, do you mean paved roads or good dirt roads?

A Paved roads.

Q Did you see paved roads generally around the country?

A Blacktop roads. They have fairly good roads, especially in the Ukraine.

Q Two-lane roads?

A Yes.

Q You found that the average Russian farm is as highly mechanized as the average American farm?

A Oh, yes, I think it is in field operations. That's a curious thing about Russian agriculture. They claim to have mechanized 95 or 98 per cent of certain field operations, but they still keep the same number of people working. They haven't displaced people with machinery.

Q Why is that?

A Labor is cheap there. In the United States we really didn't learn to do without labor until the war came along and made labor very scarce and expensive. As a result of the

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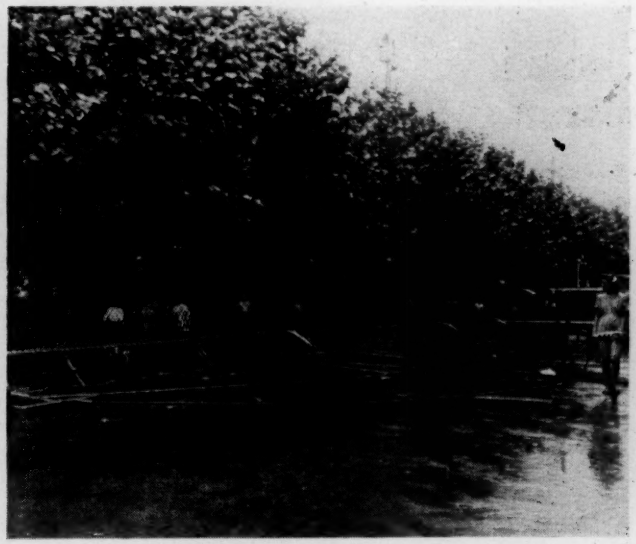

GIANT RAKE ON DISPLAY
". . . a fetish about large machinery"

BIG FIVE-SICKLE MOWER
Americans prefer light tractors

. . . "They made a great to-do about a corn harvester"

first World War, we largely mechanized crop operations. The second World War furnished great impetus to saving labor in livestock operations, such as self-feeders for hogs, mechanized feed bunks—anything to reduce hand labor.

Q Is that the area in which the Russians are lagging?

A Yes, I think they use proportionately more labor for livestock than they do for crop operations. However, even in crop operations you'll find one man driving the tractor, another riding the plow just to watch the controls. On a combine they will have one person driving the tractor, one operating the combine and two or three bunching the straw. We would run it with one or two at the most.

Q And would we do it just as efficiently?

A Yes. Another thing that amazed me is that after they combine the wheat they dump it on piles on the ground. Then women carry it over to a cleaner and clean it. In most of our wheat areas we would wait until the wheat is a little more mature, and it would come out of the combine directly, as clean as it does from their cleaners. So, you see, they have mechanized part of the operation but not all of the operation. You see that in many instances.

Q Did the machinery seem to be relatively new and in good condition? Or was it run down?

A No, I think it is pretty well cared for, judging first from the drivers of our cars. They took very good care of them. In fact, they even washed them at night. I think there is so much prestige connected with tractor driving that they do take very good care of their machines.

The machine and tractor stations, each of which services several collective farms and is an agency of the state, maintain very extensive machine shops, much more than you would find on any farm in the United States.

Q Do these machine shops make major repairs or just minor repairs?

A No, very substantial repairs. They had lathes and shapers and welders. Of course, there are no machinery dealers and no recourse if the machine breaks down, except to rebuild it or get parts direct from the factory.

Q Did you find that they usually had to make parts, or were they able to get spare parts for replacement?

A We were told at the Kharkov tractor plant that they were making so many thousand tractors and a certain percentage was going into spare parts. But, the Russian distribution system being what it is, I don't doubt that the machine and tractor stations rebuild a lot of parts themselves.

Q What other kinds of machinery did you see in Russia that seemed to be in general use?

A Well, as for combines, the one most generally in use was a pull type, cutting about a 20-foot swath. This is the type we used shortly after World War I. I think most of our wheat-growing areas have now gone to a self-propelled combine, which pushes the header ahead of the machine.

We saw self-propelled combines in Russia. One was a copy of an International Harvester made in the U. S. We also saw an International Harvester 14-foot combine. At a machine-testing station we saw a monstrosity of a self-propelled combine cutting about a 24-foot swath. In our opinion this is too large and cumbersome, especially over uneven ground.

Q Did you see any corn pickers?

A Yes, they made a great to-do about what they call a corn harvester. In cutting our silage, we cut ears and stalks all together, but they harvest the ears separately from the stalks and put them in different silos. The stalks are fed to cattle and the ears to swine. So they have a harvester which puts the ears in a hopper on the side, and delivers the cut stalks to the rear into a cart having an apron which loads wagons. Again, I would say that is an unnecessary operation. We would merely tow the wagon directly behind the combine and do away with the cart.

Q Do they have any cotton pickers?

A Yes, we saw them in Tashkent, which is the irrigated-cotton area. Incidentally, we saw some very fine cotton there.

WOMEN WORK IN THE CORNFIELDS . . .

. . . AND CLEAN BARLEY BY HAND

"They get paid according to a highly complicated piecework system"

. . . "We were always told everything was lovely"

Q Are the cotton pickers in general use?

A Yes, they are coming into use. The figures we got were that about 30 per cent of their cotton was being harvested by machinery.

Q What about milking machines?

A We saw some. Generally, their dairy enterprises are quite large—several hundred cows. They usually have vacuum milking machines and they milk in the stanchions. We didn't see any of the new-type raised milking parlors we have in the States. They take a lot of strain off the operator's back. But, in Russia, they are not so concerned with the operator's back.

Q Has the lot of the peasant in Russia improved since Stalin's death?

A That was the impression we got. Things are better both for the peasant and for the workers in the factory. Prices paid to farmers for their crops, for example, have been raised. More homes are being built. A farmer can even get a Soviet "FHA" loan of 10,000 rubles [$2,500 at the official rate of exchange] to build his own house.

Q Does he pay interest on the loan?

A Three per cent, I believe. The loan is used mainly for building materials and the farmers build their own homes.

Q What does the average Soviet farmer earn?

A On state farms, which are huge factories in the fields employing wage hands, they average about 800 rubles [$200] a month, plus the produce of their own gardens. Their cash income, in other words, is equal to that of the average industrial worker.

As in factories, specialists can earn considerably more than the average. A successful swineherd on a state farm for example, could earn as much as 3,000 rubles monthly. The average wage of employes at machine and tractor stations is between 800 and 900 rubles monthly, plus free rent and the product of their garden plots, which is valued at 150 to 250 rubles monthly.

It is harder to calculate the earnings of collective farmers. The collective, first of all, must make an obligatory delivery of crops to the state at a very low price, which is really in lieu of taxes. The second priority is delivery of crops to the machine and tractor station, which is really payment in kind of machine work done on the farm. Then the state will purchase the rest of the crop at a higher price but less than the free-market price.

But a certain amount of grain, meat and other produce is reserved to the collective for sale on the open market and for payment in kind to the collective farmers. For example, for a day's work a farmer might earn 8 to 20 rubles in cash, plus 2 to 4 kilograms [4.4 to 8.8 pounds] of grain, and so many vegetables.

The collective farmer's earnings, therefore, depend on the size of the crop and the amount and quality of work he puts in. His pay is calculated in terms of "work day" units. He can earn two or three "work day" units in one day, if he exceeds his quota sufficiently. On one farm I visited, the women workers averaged 420 "work day" units last year.

Q Doesn't this piecework system provide some incentive to hard work?

A It provides some, but evidently not enough. That's one reason they engage in continuous propaganda and exhortation. They try through appeals to patriotism to obtain the labor effort that we obtain through the profit incentive.

Despite recent improvements, living standards remain very low. The system just doesn't afford much reward, either to farmers or industrial workers, and I was surprised that they were doing as good a job as they are under this system.

Q Did you detect any evidence of discontent among collective farmers?

A We asked that question everywhere, of course. But, as might have been expected, we were always told everything was lovely. Most of us had to talk to the farmers through a Government interpreter and that undoubtedly

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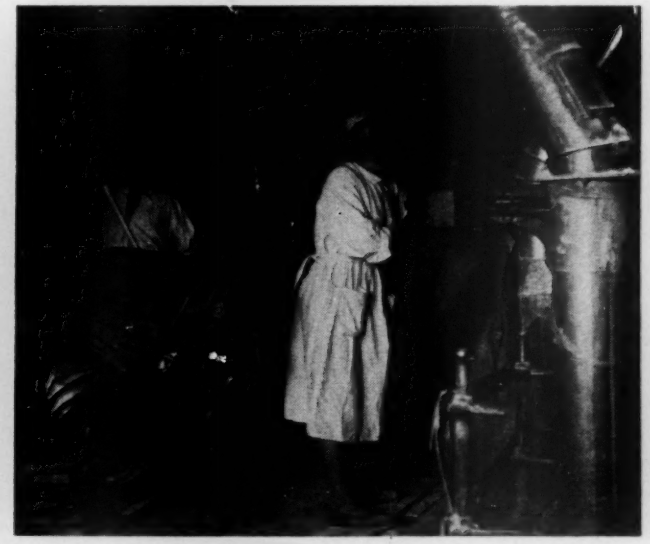
WOMEN SELL FLOUR IN THE MARKET . . .



. . . AND SACK FLOUR AT THE MILL

"They want to get a better diet, something besides bread, potatoes and cucumbers"

. . . "There are so-called 'millionaires' in Soviet agriculture"

had something to do with the replies we got. But even the Russian-speaking member of our group reported that he got the same answer.

There is this to remember: The Russians are poor by our standards. But, by their own standards, they've never had it so good. There definitely has been progress in living standards, particularly since the terrible war and postwar years.

Q You said that a wage hand on a state farm gets about the same cash wage as an industrial worker, plus some payments in kind. Does this indicate that farmers are better off than workers in Russia?

A That was my impression in regard to state farms. It was harder to judge about collective farms. But I did find a better spirit on collectives than on state farms where the wage hands often live in barracks-type buildings. The collective farmers usually own their own homes. They participate to some extent in what might be called the "profits" of the farm in good years and have their subsistence assured in bad years. Although they do not own the land, they have more of a feeling of participation in farm ownership than the wage hand on state farms. I rather felt that collective farmers preferred their life to life on a state farm.

Another way I tried to find out whether collective farmers were relatively contented or discontented was by asking whether they would rather work on their farms or move to industrial jobs. I also asked the same question of industrial workers.

Q What replies did you get?

A In one factory I asked a girl worker whether she preferred her job to work on a collective. Without asking her, the interpreter replied, "Her place is here." Living conditions are extremely crowded in the cities and it seemed possible to me that the peasant with his little cottage and garden might be better off than the urban workers.

Q Did you get the impression that, with profit incentives small, the Government uses the whip on the farmer to get him to produce more?

A The main method the Government uses is propaganda. They emphasize competition between individuals, slogans, honors for better workers, medals, that kind of thing. At every farm and every factory we saw an "honor board" with pictures of workers who had exceeded the norm.

Q What happens to the man who does not meet his norm or quota?

A Well, the man who won't play with that system probably winds up in the slave-labor camps in Siberia.

Q Did you run across any slave laborers or slave-labor camps in your travels?

A No, we didn't.

Q Did you run across any so-called "collective-farm millionaires"?

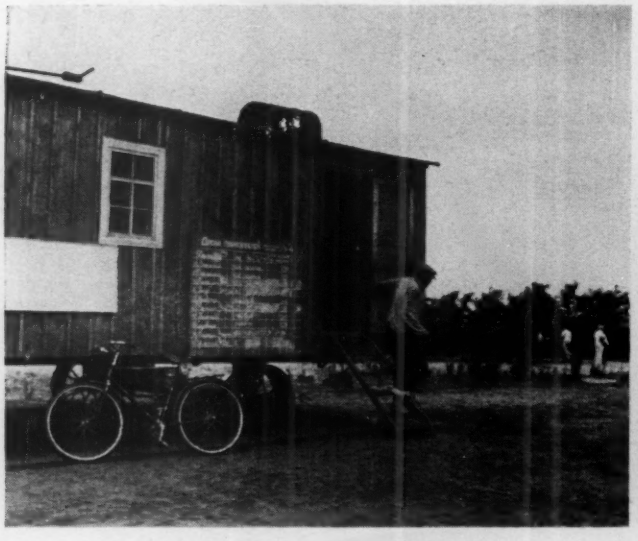
A There are so-called "millionaires" in Soviet agriculture. Bumper crops sometimes result in incomes of over a million rubles—not for individual farmers but for a farm as a whole. When a collective of, say, 400 farmers has a gross income over a million rubles, it is given the honor of "millionaire" and possibly the chairman is allowed to buy a new car.

Q Did you see any difference between the condition of collective fields and private plots? Does the peasant give his private plot better care?

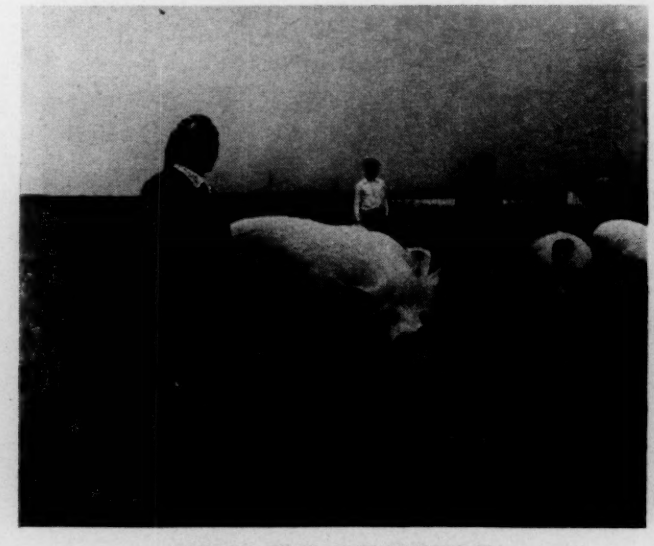
A No, I don't think so. We saw a lot of weeds everywhere. During the war they had a problem because many peasants appropriated for their own use more and more of the collective land. Later, they took new inventories and cut the private plots down to size again.

Q Were the collective-farm chairmen usually local people, or were they experts or Communist officials sent in from outside?

A Most of those we met had worked their way up through the ranks on that particular farm. We met one young technical graduate who had been sent in to manage a



A BUNKHOUSE ON WHEELS



WOMEN TEND THE LIVESTOCK

"On one farm, the women workers averaged 420 'work day' units last year"

. . . "They haven't really tackled the weed problem"

collective. But it's hard for a man to lead peasants unless he knows them pretty well.

Q Did you see any really primitive farming in Russia?

A Yes, that's what amazed me. Right on the same farm with the most modern machinery you would see these little burros pulling an old-tyre wagon. You would see oxteams. And you would see people cutting grain with a scythe. There just seems to be no consistency about the progress from the primitive agriculture to the most modern machines.

Q Why would that be?

A Possibly because they just didn't have enough machinery. I remember an experimental farm where they were cutting the grain with a very primitive horse-drawn harvester and they were binding it by hand and hauling it to a threshing machine. The explanation was that they had sent their more modern machinery out to the "new lands" and it hadn't been replaced yet.

Q You found, then, that the Russians waste a lot of manpower, despite their use of machines. Does their lack of certain types of machinery and their misuse of other types reduce the crop yields?

A I'm thinking of three types of agriculture. Western Europe, while overmanned in agriculture by U. S. standards, does have high production per acre. American agriculture stresses high production per man because that is the most profitable to the individual farmer. The Soviet Union has neither high production per acre nor high production per man. I don't really think they can increase their yields too much, anyway, but it seems that, with the labor they are expending, they could do a more intensive job in farming.

Of course, a little more know-how would help increase their yields. For instance, in the Ukraine, I saw them harvest corn three feet high at the beginning of August before it even had ears. I asked them about it and they said they needed feed for the cattle this summer. Then they proceeded to store it in silos. If they had let the crop grow until September they could have added considerable to the tonnage.

Q Specifically, how can they do a more intensive job of farming?

A Well, they haven't really tackled the weed problem. In America we are using weed-killing sprays such as 2,4-D to control weeds, especially in the cornfields. We are using it instead of so much cultivation.

On an irrigated cornfield near the Sea of Azov that had been cultivated four times and was still foul with pigweed, I asked the chairman if they had ever tried spraying for weeds. He replied: "Do you have a spray for weeds?"

Q And they had nothing in the way of a chemical weed killer?

A I picked up the July copy of a Russian technical magazine in which they are expounding the wonders of 2,4-D as a herbicide, as well as some of the new insecticides. While the scientific institutes have tried most of the new things which we are using, they are not yet in general use in the Soviet Union.

Q With the labor they have you feel they could, nevertheless, rip out a lot more of those weeds by hand if they would apply intensive farming methods?

A Yes. If you look at soil in England or Germany, where labor is relatively cheap and they use a lot of it, you will find that they make a good showing with their farming.

Q How does use of fertilizer on your farm compare with the Russian practice?

A I am using more commercial fertilizer, getting more organic matter into the soil and maintaining my soil better. However, they are using a relatively large amount of commercial fertilizer in the Soviet Union now—8 million tons in 1954. [U. S. farmers used 20.5 million tons in 1954.]

Q Why don't they use enough commercial fertilizer?

A They just don't produce enough.

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YOUTHFUL GROUP EYES AMERICANS
"Many Russians have never seen one"

NURSERY SCHOOL ON A COLLECTIVE
". . . feeds the children a superdiet"

. . . "Russia's future lies in importing food"

Q What kind of yields did you notice on small-grain farms?

A Wheat is a very prevalent crop throughout the Soviet Union and we thought their yields were comparable to our yields in the drier parts of the Great Plains of the United States.

Q Well, on this whole question of yields, what do you think they could do? You said earlier that they could save manpower, but can they do much with yields, considering the climate and the soil?

A No, I think their yields are largely limited by the climate and the amount of rainfall.

Q If they save manpower, the people no longer working on the farms will still have to eat. Then, if their ability to increase yields is rather limited, does this impose a ceiling on the amount of food they can raise for their people and thereby limit the economic development of the country?

A That's where the question of trade comes in. It's very unfortunate that they don't have a freer trade with other nations. They are developing a sphere of trade, largely with China, I think. They are importing soybeans from China and they are sending industrial machinery to China. In the "new lands" area we saw a trainload of heavy machinery going east and I was told it was on its way to China.

Q Then your feeling is that Russia's future lies in exporting industrial products and importing food?

A Yes. Russia's future lies in importing food. It's too bad that, with the excess of crops that we have in our country, we couldn't work out some trade. However, there isn't much that we would take in return, except raw materials and minerals. But they, of course, consider these strategic materials and are unwilling to export them to us.

Q Just what are the Russians doing to increase food production?

A There are two main programs. They are trying to open up for cultivation virgin lands in Kazakhstan [in Central Asia] and Siberia that have never been plowed before.

Q These are the "new lands"?

A Yes. Here they are growing mainly wheat. At the same time, wheatlands in the Ukraine and elsewhere are being put into corn in an attempt to imitate our kind of Iowa corn-hog economy. They are trying to improve the meat supply mainly through their hog program.

Q Can this "new lands" program succeed?

A It's a gamble. But my impression was that it is a pretty good gamble as long as they can get labor as cheaply as they do and have no trouble recruiting people to go out there.

Q How many acres have they plowed up so far?

A They plan eventually to plow 80 million acres. This is the second crop year there and this year they have 52 million acres in crops. So they are two thirds of the way to their target.

Q How many people have been shipped out to those regions already?

A About 150,000, and one quarter of them are women. Twenty-five per cent of their technical graduates in agriculture are being sent there.

Q What are the yields like in these "new lands"?

A One member of our party, an expert in dry farming, estimated that the yields were comparable to those in areas of Western Canada with similar climatic conditions. There is one interesting thing. The "new lands" are yielding much greater crops than neighboring farms in the same region that have been under cultivation for some time—about twice as much, in fact. That is particularly true this year, which has been exceptionally dry—so dry in fact that there had been no rain since May near Akmolinsk. Most of their moisture, of course, comes from snow.

Q Why do the new farms do better than the old?

A Ages and ages of fertility have been built up in these virgin lands. You also have a reserve of moisture in the soil. It helps the first crops. The $64 question is whether those

AGRICULTURAL EXHIBIT, MOSCOW

COMBINES FOR THE "NEW LANDS"

"They need less large self-propelled machinery and more self-propelled farmers"

. . . "Russians said of our corn yields: 'We don't believe you'"

yields will continue, especially in future years when weather conditions are adverse.

Q Is that what you meant when you said the "new lands" were a gamble?

A Yes, there's definitely a weather gamble out there. It's the gamble you always take in plowing up marginal land. The land is worth less for grazing than for crops. But once you plow it up, and wind erosion gets started, it may become impossible to grow crops, and you may not be able to get it seeded back to grass. That's been our experience in the U. S. dust bowl.

Q Do you think it likely that the whole area will turn into a vast dust bowl?

A It's inclined to "blow" out there and we've heard that some of the hot winds they have from time to time are enough to destroy a crop in a day. But there is one difference between this area and the dust bowl we created in the panhandle of Texas. This Soviet area is much farther north. It has much more snow cover in winter and wouldn't be apt to blow as much as our Southern areas.

The Russians are thinking seriously of snow-retention measures. They will ridge the snow every few hundred yards in winter, making a series of paralleled snow fences. They are thinking of shelter belts and other things to keep the snow on the ground for summer moisture

Q Suppose they avoid a dust bowl and simply are confronted with a failing yield that drops 50 per cent like the older farms in the area. Will the "new lands" still be a worthwhile investment?

A What wouldn't be worth while to us might be worth while to the Russians. They are thinking in terms of total production of food for the nation, not in terms of whether an individual private farmer in a competitive economy can make a living or not. If they want that food badly enough, they could, in effect, subsidize the farmers in the "new lands" with taxes from the better farming areas.

I tried to bring up some of these questions by asking one local Soviet leader why they hadn't farmed it before, since the crops looked so good. He said, "Well, that question never came up before." I pressed him further and finally he said, "Mr. Khrushchev [Soviet Party leader] came out here a few years ago and decided to plow it up. And that's what we are doing." I guess that is the story, too.

Q Where are these "new lands" exactly? What's the latitude?

A The heart of it is at the city of Akmolinsk in North Kazakhstan and it stretches eastward into Siberia. The latitude is comparable to Manitoba in Canada but not quite as far north as Alaska. There is a short growing season with severe winter weather and hot summer winds from the deserts in the south.

Q You said they were growing wheat in the "new lands" so they could convert wheatlands in the Ukraine to corn. Did you see any signs of the corn-hog program they talk about so much?

A Oh, yes. They are planting corn. In 1954 they had only 11 million acres in corn. This year they have 45 million acres in corn—four times as much. The plan for 1960 is to almost double that—up to 75 million acres.

Q Then they will be close to the corn acreage in the United States?

A Yes, our average is about 80 million acres of corn. But they won't get near the yield per acre that we get. The State of Iowa has averaged 60 bushels per acre in past years. When we told the Russians of some of our typical corn yields, they said, "We don't believe you."

Q Khrushchev last January said they got only 16 bushels per acre in 1953. Is that about what you found?

A I think they are getting nearer to 30 bushels per acre now. But we figure 30 bushels an acre in the United States is almost marginal. In other words, it takes 30 bushels of corn to pay for the cost of raising the crop.

(Continued on next page)

"BURRO POWER" NEAR TASHKENT
". . . on the same farm with modern machinery"

RUSSIAN "ZIS" IS EXPENSIVE
. . . and made for official use only

. . . "They haven't got the corn to stuff hogs the way we do"

Q But, under their system, you figure that 30 bushels might be a worthwhile enterprise?

A Yes.

Q Is Soviet land really suited for corn or would they be better off using that land for something else?

A Most of their land tends to be short both in moisture and growing season for corn. Some areas are comparable to part of our corn belt. But they are going overboard on corn and trying to grow it in unsuitable regions as well.

Kuibyshev on the Volga River, for example, is very definitely a marginal area for corn. We were visiting one evening with one of the local Soviet leaders and I suggested they might get more total feed per acre, year in and year out, from sorghum grain. But he said very curtly, "We not only can raise corn, we will raise corn." It will be interesting to see how far they can go in communizing Mother Nature.

Q In general, do you think the corn-hog program will be successful in Russia?

A I definitely think they should try to raise more corn and meat—as they are doing.

Q Suppose Russia's "new lands" program and corn-hog program succeed. What will the Russian people get out of it in the form of more meat?

A Our rough calculations showed this: 80 million acres of the new lands—if permitted to lie fallow every other year to store up moisture—will grow as much wheat as 20 million acres of the Ukraine. With 20 million Ukraine acres converted to corn, the Russians can fatten about 4 million more hogs for market. That could add about three pounds of meat per capita to the Soviet diet—an increase of less than 10 per cent. It would be a welcome increase for the Russian people. But it shows what a tremendous effort it takes in a country of 216 million people to add even a small increment to the food supply.

Q Can the Russians ever reach the level of efficiency in hog raising that you achieve in Iowa?

A That depends on whether you are discussing production per man or per sow. They are raising as many pigs per sow as we do. In fact, they claim to be saving 12 piglets per litter, whereas I think a more typical figure for us would be eight. We are breeding toward smaller litters and faster-growing pigs. But they have a woman taking care of every 10 sows. A farmer in the United States will take care of 50 sows himself, in addition to his field work.

Q There have been reports that livestock in Russia just doesn't get the "loving care" that American farmers give their animals. If a Soviet farm maiden spends full time on 10 sows while an American farmer gives only part time to 50, why aren't Soviet livestock better cared for?

A Well, the only reason I would know for loving a sow would be the income she might return to you. Whether it was to be my own income or the Government's might make a big difference in the amount of love I gave the sow.

Q Did you find that the Russians don't have enough feed to fatten their hogs adequately?

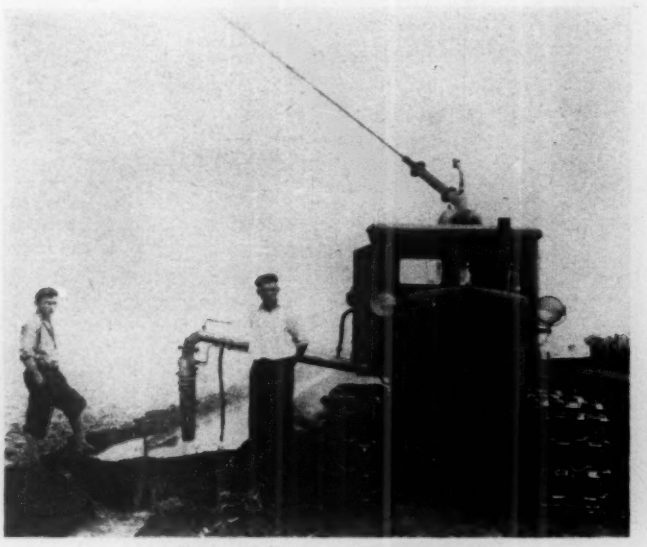
A They haven't got the corn yet to stuff their hogs the way we do. Also they carry their hogs to much older ages than we do in order to get the weight they want. They also carry them excessively fat. If they had some sort of vegetable fat, such as soybeans, they could market meat hogs as we do and make a considerable saving in feed.

Q Does the chairman on a collective farm have a bigger house than everybody else?

A Not that we saw. We visited in the home of an assistant chairman of one farm and found his home pretty much like the others.

Q How does the machine and tractor station function?

A A machine and tractor station, or MTS, as they are called, usually services about 10 collectives. There are 10,000 machine and tractor stations in the Soviet Union. They maintain the machinery and furnish it to the farms as needed, operators and all. They also furnish many of the technical



MODERN SPRINKLER IRRIGATION

HAULING WATER BY HORSE CART

"They have mechanized part of the operation but not all of it"

. . . "I don't think there is a crisis" in Soviet agriculture

agronomists and act as representative of the state in planning the crops and collecting payments.

The MTS also has an educational staff of several Communist Party workers whose duty it is to visit the farms and "educate" the peasants. We visited one that formerly had serviced seven collectives. The seven had been combined into one farm and the machine and tractor station now services only that one huge collective.

The manager of the collective farm had previously been director of an MTS. I asked him why it wouldn't be more efficient if he had that machinery now under his own control, like the director of a state farm. He gave me a very sharp answer. "You don't understand our system," he said. "The collective farm is an organization of peasants, whereas the machine and tractor station is an organization of the state." So it is clear that the machine and tractor station is an element in state control as well as a means of pooling farm machinery for maximum use.

Q How many people are employed on an MTS?

A They have a director, a staff of 20 or 30 technical experts and perhaps several hundred workers, principally tractor drivers and combine operators, who go to the collectives in season and live there in the field headquarters of the work brigades.

Q How many tractors are there in each machine and tractor station?

A We found about 20 tractors at each collective farm, which would indicate about 200 for the machine and tractor station. Now that they have more machinery, they are tending more and more to put a certain number of tractors on each farm and just leave them there through the season. They go back to the MTS in the winter and for major repairs.

We visited a combine brigade out in the new virgin lands. The center of it was a tractor-driven electric generator which furnished current for the grain cleaners and lights for the housing.

They had four bunkhouses on wheels, which slept about 14 men apiece. They had a dining tent, a kitchen shack, a headquarters tent and even a mobile canteen truck that the co-operative would send around with candy bars, soap and other essentials. It was exactly like an army in the field.

Q Well, to sum this up, there is a strong impression in the West that the Soviets are facing a serious crisis in agriculture. I gather from everything you've said, however, that we've been somewhat misled about that—

A I don't think there is a crisis. On the other hand, with their climate and rainfall what it is, I don't see too great a possibility to increase food production there.

Q As a result of your experience, do you favor this kind of exchange between Americans and Russians?

A Yes, I think the exchange of ideas was helpful. They seem to be very eager for information from us. Probably they have more to gain from what we know about farming.

Q From your visits to Russian farms did you learn anything that you will be able to put to use on your farm back in Iowa?

A No, I can't say I found anything that's going to help me in a technical way.

Q Do you think that, if we help the Russians in these exchanges of information, we are going to build up their economy and thereby make them more dangerous to the rest of the world?

A I don't think they can get the high productivity per man that we do on our farms without giving more freedom to the individual. I think that a good gamble. They have to give the farmer more freedom to increase his productivity and, if they give him more freedom, we will get a safer world out of it.

Q What other kinds of exchanges would you recommend?

A One of the things they need in Russia is better plumbing. Personally I think an exchange of plumbers would be most helpful.

—All Photos taken by Herbert W. Pike

THE PEOPLE OF RUSSIA

"By their own standards, they've never had it so good"

NEW RULES FOR "PROXY FIGHTS"

Battles Over Company Control Bring Clamp-Down

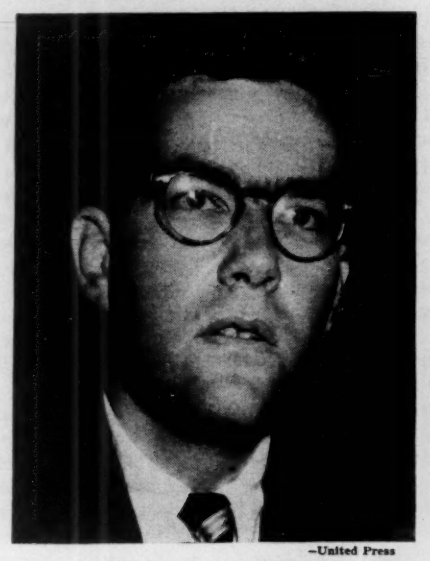
Individuals who try to wrest, or retain, control of corporations now are to find themselves less free to act.

Government says that contestants for stockholders' votes are going to be more polite—or else.

Free-swinging battles for control of America's big corporations, in the future, are going to be less savage, more inhibited. Some of the sting is being taken out of the blows that powerful groups of financiers have been aiming at one another.

New ground rules for these contests now are being adopted by the Securities and Exchange Commission—Government's referee for the campaigns and elections that decide what groups will control corporations. The new rules are a direct outgrowth of recent struggles, including those for control of Montgomery Ward & Company and the New York Central Railroad Company.

There is to be no ban on such battles. They are regarded as a part of industrial democracy. Dissatisfied stockholders still will challenge the managers of their corporations. They still can spend big sums in vying with management for stockholder favor—and for the proxies that enable contestants to vote stockholders' shares in electing directors.



—United Press

J. SINCLAIR ARMSTRONG
The goal: "corporate democracy"

But the contestants are going to have to be more cautious in their tactics and statements. Challengers are going to be less free to charge that company officers are crooks, or to promise fatter dividends. Officers are not going to be so ready to call dissident stockholders financial freebooters.

Both sides will have to be circumspect in choosing their associates, and in the financial deals they make in order to get proxies.

Campaign materials. SEC, for the first time, is moving to adopt specific standards that it will follow in approving proxy statements, press releases and other broadsides before such campaign materials are released.

In the Montgomery Ward contest, Sewell Avery, then president of that corporation, charged that the "outsider" group headed by financier Louis E. Wolfson was taking unfair advantage by promising shareholders bigger dividends. There's to be no courting of stockholders with bright promises in the future. After the new rules take effect, SEC will reject all "predictions of specific business and financial results."

Opposing spokesmen also are going to be less free to engage in "personalities." In some fights, Congress was told in recent hearings, contestants have been maligning opponents with wild charges of improper, illegal or immoral conduct, and of association with scoundrels. From now on, says SEC, character assassination is out.

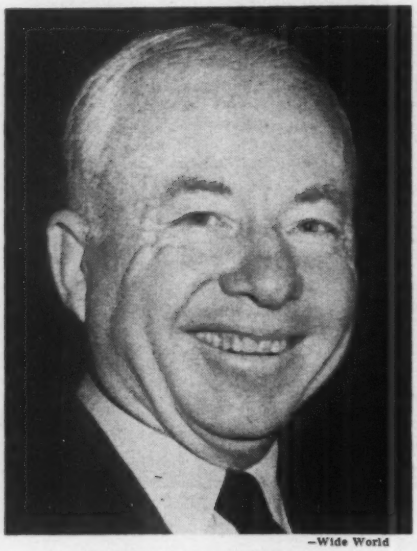
In the new rules, proxy materials that impugn character, directly or indirectly, are specifically listed as in violation of the law—"unless factual data supporting such assertions are filed with the Commission prior to their use."

Oral statements, as well as printed releases, come under these new regulations. After the Ward fight, Mr. Wolfson complained to a congressional committee that, under the old rules, no one knew what could be said orally. A contestant could speak to a reporter and be cited by SEC.

Now participants are warned that their spoken words must meet the specific standards on written material.

Less secrecy. Groups who seek to gain, or keep, control of corporations in the future will have to supply SEC with far more information about themselves and their associates than some have provided in past proxy contests.

Secrecy charges in the Ward contest were aired before Congress by John A. Barr, new president and board chairman of Ward. He charged that the Wolfson group refused to divulge the identity of its financial supporters. Stockholders, he said, could not know what interests they were voting for, or against.



—Wide World

ROBERT R. YOUNG
. . . described a financial battle

—United Press

JOHN A. BARR
. . . spoke out against secrecy

When the new rules take effect contestants are to be required to give SEC highly detailed biographical, financial and other information about themselves, their supporters and just about everybody who has any part in a proxy contest.

Light on "deals." Arrangements that contestants make in order to get votes may be just as involved in the future as in the past. The difference is that these arrangements will have to be brought out into the open.

In the New York Central fight, Congress learned in hearings, financier Robert R. Young achieved what he called the most clever deal of his career. It involved 800,000 New York Central shares placed in trust with the Chase National Bank. Mr. Young told Congress that, although the shares were owned by the Young-controlled Alleghany Corporation, the bank trustees were planning to vote them against Mr. Young in the proxy contest.

Accordingly, Mr. Young told Congress, he arranged the sale of the shares by Alleghany to Texas oil millionaires Clint W. Murchison and Sidney W. Richardson for 20 million dollars. In the deal, Mr. Young's Alleghany Corporation put up 7.5 million for the Texans. Allan P. Kirby, Mr. Young's associate in Alleghany and in the proxy fight, put up 5 million, and a bank loaned 7.5 million. The two oil men, without advancing any cash, acquired 800,000 New York Central shares to be voted for the Young-Kirby group in the fight to control that firm.

In the Ward fight, Mr. Wolfson told Congress, some corporations under Wolfson control used their funds to buy substantial blocks of Ward stock to vote for the Wolfson group. Mr. Wolfson, asked by Senators whether he loaned money to individuals so that they could buy Ward shares for the election, replied that he always is engaged in lending money to his friends.

Now, under new rules, financial deals for shares or proxies will have to be reported to SEC in detail, under a threat that SEC might go to court to invalidate proxies or election results.

Other practices affected. Flat prohibitions, or requirements for full disclosure, are applied by the new rules to many other practices.

Friends and associates of the contestants who take it upon themselves to solicit proxies in a contest, or to run advertisements for one side, will come under the new rules. Mr. Young told Congress he had to fight much of the financial community to win control of the New York Central.

Brokers and dealers, under a separate set of proposed rules, will get new procedures governing their use of proxies for shares held for customers. In Senate investigations, William White—New York

(Continued on page 92)

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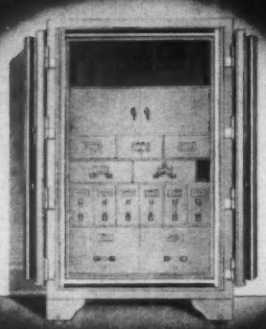

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Finance Week

. . . New rules would fix costs in proxy fights

Central president defeated by the Young-Kirby group—said the old rules permitted room for errors, or worse, in broker handling of proxies. Brokers' clerks, he said, could drop incoming proxies in the wastebasket if they called for a vote on the "wrong" side.

The question of who is to pay for proxy battles, too, is covered. In recent contests, challengers who have taken over management of corporations are attempting to get reimbursement of their campaign costs from the company. In one case, the new management is suing the ousted managers for reimbursement of expenses borne by the corporation.

Under new rules, both sides will be required to describe their campaign plans and methods, estimate their costs and state who is to pay.

Contestants who jump the gun in a proxy contest also will find new rules. Under old rules, there was to be no campaigning until the contestants filed a formal proxy statement. The problem was to decide when campaigning, and soliciting of proxies, really had started. Dissatisfied stockholders could attack corporate management, and management would be barred from answering. Now "preliminary solicitations" are to be permitted, but only after the contestant has filed complete information about himself and his associates with SEC.

The changes, it's explained by J. Sinclair Armstrong, SEC chairman, are designed to promote "corporate democracy" through fairness and honesty in contests for company control.

Stockholders, checking the new rules, will find added protection for their interests. But embattled financiers will find that many practices common in the past are flatly banned, or subject to disclosure rules that can chill enthusiasm for questionable deals.

Budget Balance?

Top Men Hope—

The odds in favor of a balanced budget this year—the one ending next June 30—now are being quoted officially.

Two men who should know—Treasury Secretary George M. Humphrey and Budget Director Rowland Hughes—in a joint statement say this: "Barring some unforeseen development, we think . . . we can balance the budget this year."

The table on page 93 shows how far they are toward the goal—a goal that calls

(Continued on page 93)

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. . . Prospect of bigger tax revenue than expected

for tax cuts. The budget presented last January showed a deficit of 2.4 billion dollars. Now, it has been cut—prospectively—to 1.7 billion. With the fiscal year one sixth gone, the budget balancers are about a third of the way to the goal. The table shows why.

A roaring business boom has boosted corporate profits, so taxes on corporation earnings now look 2.2 billion dollars higher than they did in January. Small declines in other revenues and an increase in refunds more than offset other gains, so the increase in budget income is held to 2.1 billion.

Defense spending has been cut an extra 1.3 billions—most of it in foreign military aid and operations of U. S. forces abroad. But nondefense spending is up 2.7 billions—nearly half of it in rising costs of farm price supports. So total spending is up 1.4 billions.

Net result: The deficit is trimmed from 2.4 billions to 1.7 billions.

Help may come from still brighter business prospects—tax revenue could rise even more than now foreseen.

There's one unmentioned problem: The budget includes a "negative" item, a minus figure of 1 billion dollars in the military allowance. That's an IOU that the military must cover just to make the budget come out with a 1.7-billion-dollar deficit. So total cuts needed for a balance come to 2.7 billion.

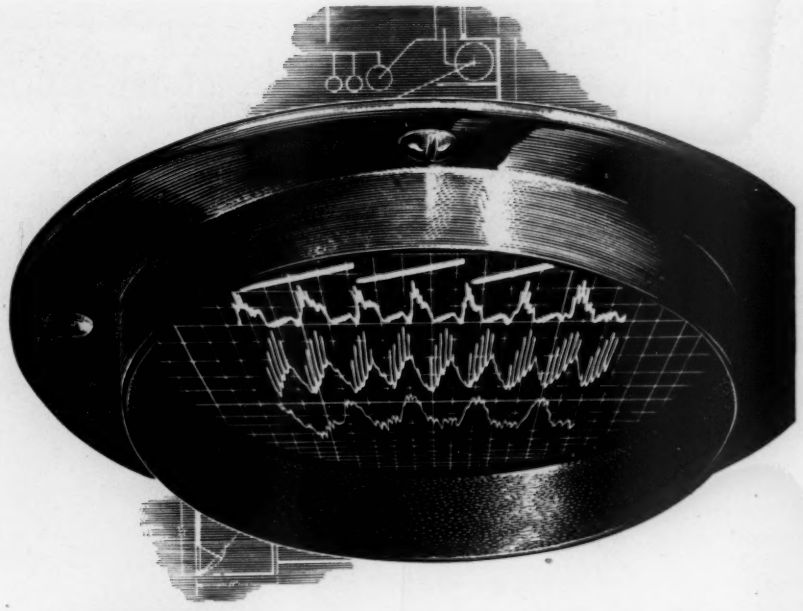
Mr. Hughes and Mr. Humphrey, the record shows, have their work cut out.

INCOME VS. OUTGO

(year ending June 30, 1956, in billions)

	Ike's forecast	
	Last January	Now
Budget income	$60.0	$62.1
Budget spending		
National defense	$40.0	$38.7
Foreign affairs	1.8	2.1
Aid to veterans	4.6	4.8
Health, welfare	2.3	2.4
Aid to agriculture	2.3	3.4
Flood control, power, etc.	.9	1.0
Aid to business, labor	2.2	2.8
Interest on debt	6.4	6.8
Contingency reserve	.3	.1
All other spending	1.6	1.7
Total	$62.4	$63.8
Deficit	$2.4	$1.7

Source: Bureau of the Budget



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PLUS & MINUS
Latest Indicators of Business Activity

Money policy of the Government, recently tightened another turn, is forcing adjustments in the financial markets that will affect business activity in the future.

Bond issues of large size have already been postponed in the hope of attracting better prices later. New York State Thruway Authority rejected bids received recently on an offering of 125 million dollars in bonds, later sold 50 million of temporary bond-anticipation notes. Cook County, Illinois, rejected bids on a 40-million-dollar expressway bond issue. The State of Florida turned down bids on 10.6 million of school bonds.

Yields on State and municipal bonds have risen to 2.66 per cent, from 2.40 per cent in May.

Mortgage-loan commitments are harder to get from lending institutions, many of which find that the inflow of savings from depositors is barely enough to buy the mortgages for which they are committed already.

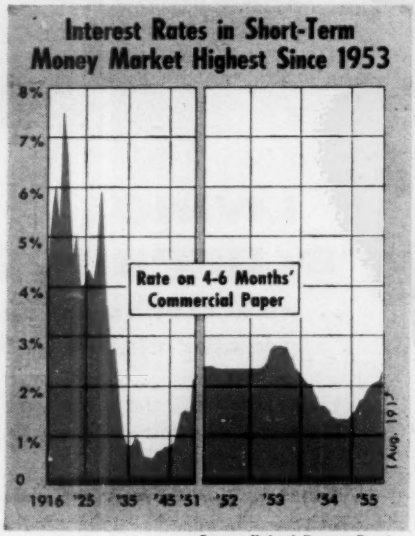
Screening of borrowers to avoid poor risks is being done more thoroughly by commercial banks, now that lendable funds are short of demands for credit. The Federal Reserve Board has urged bankers to use greater caution in making installment loans.

Bank earnings, dependent both on interest rates and volume of loans and investments, are headed upward.

Interest rates on time deposits, already in an upward trend, will tend to rise further as banks earn higher rates on their loans and investments.

Shifts in ownership of Government securities have been accelerated since early in August, when Federal Reserve Banks began to apply their tighter-money policy. Weekly reporting banks sold 1.3 billions of Treasury securities in four weeks ended August 24 to meet expanding demand for loans.

Purchases of Government securities sold by banks are being made by corporations, States and municipalities, foreign governments. Yields on short-term Treasury issues have risen sharply, are attractive to investors with temporarily idle funds.



Source: Federal Reserve Board
© 1955, By U. S. News Pub. Corp.

Stock prices are down since late July, when money policy tightened. They rallied, however, on August 23 and 24. Investors apparently began to decide that no drastic squeeze on credit was in prospect.

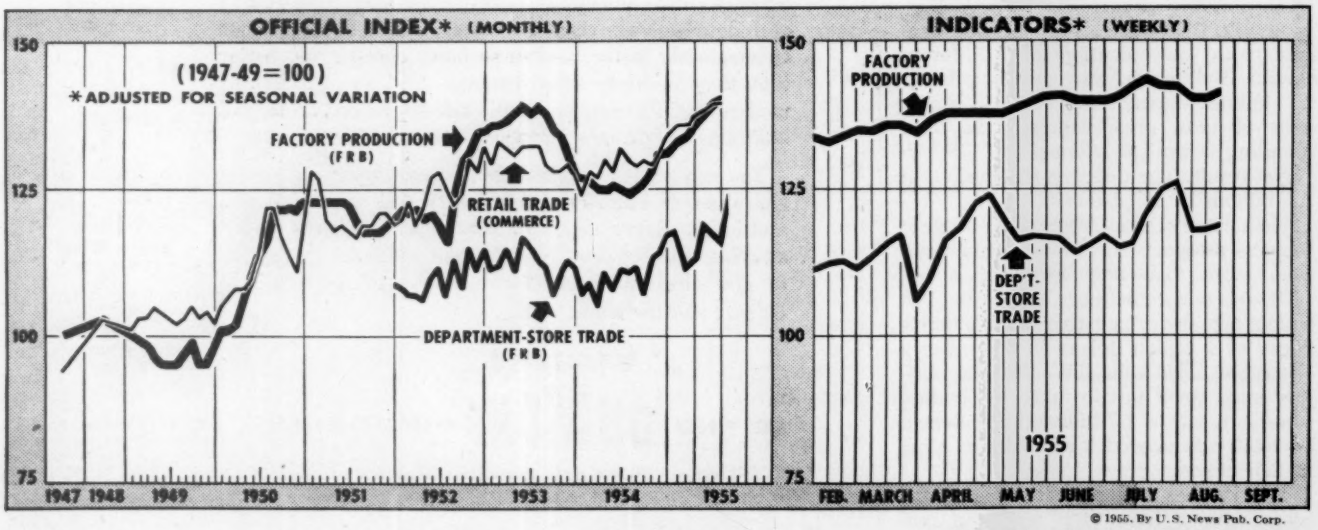
The credit squeeze, however, is still on. Federal Reserve Banks sold 95 millions in Government securities in the week ended August 24, soaking up lendable funds of commercial banks. Member banks owe 689 millions to the Federal Reserve Banks. The rediscount rate, increased recently, puts member banks under added pressure to repay what they owe and to meet demand of their customers for loans by selling investments. This drives down the price of the investments and makes banks more reluctant to sell, more inclined to limit new loans.

Sharpest rise in interest rates has been in short-term investments bought and sold in the open market. Latest issue of 90-day bills was sold by the Treasury at a price yielding 1.87 per cent, compared with 1.62 in July, 0.65 in June, 1954.

The yield on commercial paper of four to six months' maturity, shown in the top chart, rose to 2⅝ per cent on August 24, highest since 1953. Industrial corporations seeking money by selling their own commercial paper must pay higher rates as yields go up on Treasury bills.

Business activity, meanwhile, is as strong as ever. Layoffs in the week ended August 20 dropped to their lowest since June, 1953. Insured unemployment is below a million for the first time in almost two years.

Aim of Government credit managers is "to lean against the breeze," letting tighter credit restrain business expansion when it threatens to become too rapid. The policy is flexible, can be shifted quickly if softness develops in the economy.



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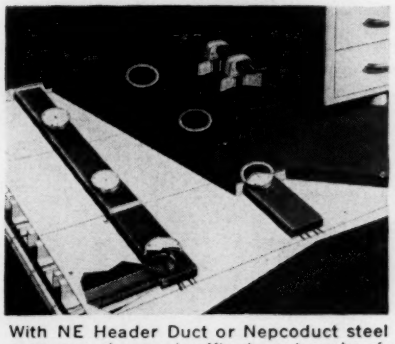
Magic in the newsroom



With NE Header Duct or Nepcoduct steel raceways, changes in office layout can be effected almost as easily as moving checkers.

A reporter phones in. Fire on Main Street. The rewrite man taps out his notes. And over at the teletype a wire news editor gets a story from Timbuctoo. Sparking this hum of activity, on phone and teletype, is the unseen magic of electricity.

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IKE WARNS RUSSIA

There Can Be No True Peace If "Repressions of Human Beings" Continue, President Says

President Eisenhower has served notice that the U. S. will stand firm in its peace negotiations with Russia.

The U. S., Mr. Eisenhower warns, will not accept a false peace that perpetuates existing injustices.

And President Eisenhower named the injustices that he means: oppression of human beings, domination over captive countries, subversion of free governments, and the continued division of Germany.

This important definition of American policy was made in a speech to the American Bar Association. Here is that speech.

President Eisenhower addressed the convention of the American Bar Association in Philadelphia on Aug. 24, 1955. His prepared speech was preceded by remarks on the flood situation. Following is full text of his talk:

Before I begin the expression of the thoughts I deem appropriate to this occasion, I should like at first to refer briefly to the tragic incident of our nation's life that I know is now uppermost in the minds and hearts of all Americans. I refer, of course, to the tragic disaster on the Eastern Coast of our country.

We stand in the shadow of the hall in which was written the Constitution of the United States. Impressed in that document is the conviction, the belief, the faith that Americans would perform by voluntary co-operation those deeds which in other governments up to that time had been performed by direction, by regimentation, by order of government.

Some of those group problems which they thought would thus be solved were those great human problems in which one section of our country suffers such disaster as our Eastern Coast has suffered.

Woodrow Wilson said: "The highest form of democracy is the spontaneous co-operation of a free people."

It seems to me now that we have one of the most unusual opportunities to exhibit that co-operation. Frankly, I do not feel that we should wait for the American Red Cross, our agent in such affairs, to appeal to us for help. I feel we should seize the opportunity to give to them, to force upon them more than they can use, to make certain that the disaster is alleviated—that all those people in those destroyed villages and towns will understand that America's heart has not forsaken them—that we are proud to help.

The President then delivered his prepared address:

Naturally I am honored that once again I am invited to speak before this great representation of the American Bar Association; particularly in this summer of 1955.

This is the first of a series of meetings celebrating the John Marshall Bicentennial. John Marshall was a soldier in the War for Independence, a Congressman, a diplomat of outstanding ability, a Secretary of State.

But his reputation for greatness most firmly rests on his service as Chief Justice of the United States. It was in that office that he established himself, in character, in wisdom, and in his clear insight into the requirements of free government, as a shining example for all later members of his profession.

In his day, the truth about the nature of the union and the purposes that joined widely separated States into one republic —about the Constitution and the application of its principles to the problems of the times—was obscured by the fog of sectionalism, selfish interests and narrow loyalties. Through a generation, he expounded these matters and formulated decisions of such clarity and vigor that we now recognize him as a foremost leader in developing and maintaining the liberties of the people of the United States.

He made of the Constitution a vital, dynamic, deathless charter for free and orderly living in the United States.

Thus his influence has been felt far beyond the confines of the legal fraternity. One result of his work was to create among Americans a deep feeling of trust and respect for the judiciary. Rarely indeed has that respect been damaged or that trust betrayed by a member of the judicial branch of our three-sided Government.

Americans realize that the independence and integrity and capacity of the judiciary are vital to our nation's continued existence. For myself, this realization is understandably with me most sharply when it becomes my duty to make a nomination to the federal bench.

To the officers and members of the American Bar Association, I express my grateful acknowledgment of the assistance they have rendered, as a public service, in aiding me and my trusted advisers in the review of professional qualifications of individuals under consideration for federal judicial positions. You have helped secure judges who, I believe, will serve in the tradition of John Marshall.

No other kind will be appointed.

Obviously, a rough equality between the two great political parties should be maintained on the bench. Thus we help assure that the judiciary will realistically appraise and apply precedent and principles in the light of current American thinking, and will never become a repository of unbalanced partisan attitudes.

As we turn our minds to the global rather than the primarily national circumstances of our time, I feel that John

. . . "The final judgment may be many years in coming"

Marshall's life and his works have even a more profound significance than is to be found in our veneration for the American courts and for his memorable services during the formative years of the republic.

The central fact of today's life is the existence in the world of two great philosophies of man and of government. They are in contest for the friendship, loyalty and support of the world's peoples.

On the one side, our nation is ranged with those who seek attainment of human goals through a government of laws administered by men. Those laws are rooted in moral law reflecting a religious faith that man is created in the image of God and that the energy of the free individual is the most dynamic force in human affairs.

On the other side are those who believe—and many of them with evident sincerity—that human goals can be most surely reached by a government of men who rule by decree. Their decrees are rooted in an ideology which ignores the faith that man is a spiritual being; which establishes the all-powerful state as the principal source of advancement and progress.

The case of the several leading nations on both sides is on trial before the bar of world opinion. Each of them claims that it seeks, above all else, an enduring peace in the world. In that claim, all identify themselves with a deep-seated hunger of mankind. But the final judgment on them—and it may be many years in coming—will depend as much on the march of human progress within their own borders, and on their proved capacity to help others advance, as on the tranquillity of their relations with foreign countries.

Mankind wants peace because the fruits of peace are manifold and rich, particularly in this atomic age; because war could be the extinction of man's deepest hopes; because atomic war could be race suicide.

The world is astir today with newly awakened peoples. By the hundreds of millions, they march toward opportunity to work and grow and prosper, to demonstrate their self-reliance, to satisfy their aspirations of mind and spirit. Their advance must not and cannot be stopped.

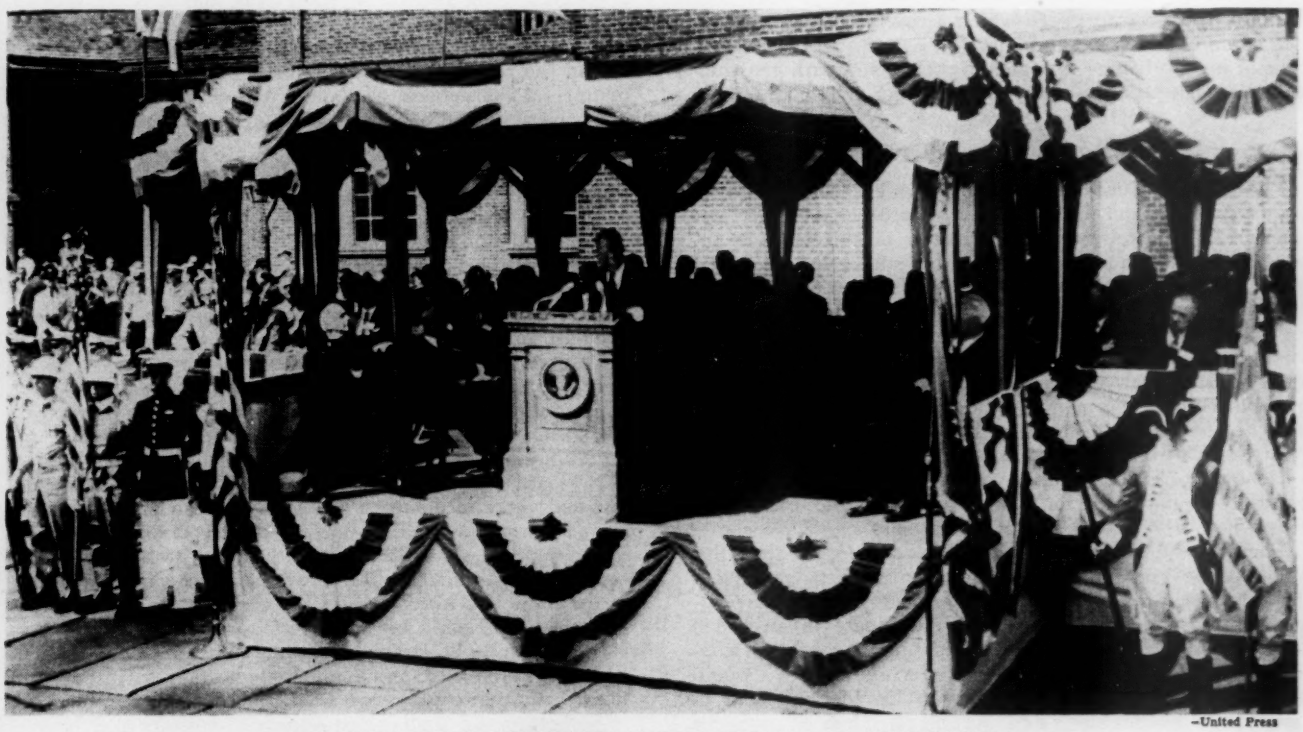
These hundreds of millions help make up the jury which must decide the case between the competing powers of the world.

The system, or group of systems, which most effectively musters its strength in support of peace and demonstrates its ability to advance the well-being, the happiness, of the individual will win their verdict and their loyal friendship.

You of the American Bar Association will play a critical part in the presentation of freedom's case.

The many thousands of men and women you represent are, by their professional careers, committed to the search for truth that justice may prevail and human rights may be secured. Thereby, they promote the free world's cause before the bar of world opinion. But let us be clear that, in the global scene, our responsibility as Americans is to present our case as tellingly to the world as John Marshall presented the case for the Constitution to the American public more than a hundred years ago. In this, your aptitude as lawyers has special application.

In his written works and innumerable decisions, John Marshall proved the adequacy and adaptability of the Constitution to the nation's needs. He was patient, tireless, understanding, logical, persistent. He was—no matter how trite the expression—a crusader; his cause, the interpreta-



—United Press

MR. EISENHOWER ADDRESSES THE AMERICAN BAR ASSOCIATION
"There can be no true peace which involves acceptance of a status quo"

. . . "A false peace would assure future conflict"

tion of the Constitution to achieve ordered liberty and justice under law.

Now America needs to exercise, in the crusade for peace, the qualities of John Marshall. Peace and security for all can be established—for the fearful, for the oppressed, for the weak, for the strong. But this can be done only if we stand uncompromisingly for principle, for great issues, with the fervor of Marshall—with the zeal of the crusader.

We must not think of peace as a static condition in world affairs. That is not true peace, nor in fact can any kind of a peace be preserved that way. Change is the law of life, and unless there is peaceful change, there is bound to be violent change.

Our nation has had domestic tranquillity largely through its capacity to change peacefully. The lone exception was when change, to meet new human concepts, was unduly resisted.

Our founders would scarcely recognize the nation of today as that which they designed; it has been so greatly changed. But the change has been peaceful and selective; and always conforming to the principles of our founding documents. That has made it possible to conserve the good inherited from the past while adjusting to meet constantly rising goals. In that way we have kept in the front ranks of those who respect human dignity, who produce increasingly and who share fairly the fruits of their labors.

This is the kind of peace that we seek. Our program must be as dynamic, as forward looking, as applicable to the international problems of our times as the Constitution, under John Marshall's interpretations, was made flexible and effective in the promotion of freedom, justice and national strength in America.

That is the spirit in which the American delegation went to Geneva. We asserted then—and we shall always hold—that there can be no true peace which involves acceptance of a *status quo* in which we find injustice to many nations, repressions of human beings on a gigantic scale, and with constructive effort paralyzed in many areas by fear.

Needed: End to Subversion

The spirit of Geneva, if it is to provide a healthy atmosphere for the pursuit of peace, if it is to be genuine and not spurious, must inspire all to a correction of injustices, an observance of human rights and an end to subversion organized on a world-wide scale. Whether or not such a spirit as this will thrive through the combined intelligence and understanding of men, or will shrivel in the greed and ruthlessness of some, is for the future to tell. But one thing is certain. This spirit and the goals we seek could never have been achieved by violence or when men and nations confronted each other with hearts filled with fear and hatred.

At Geneva we strove to help establish this spirit.

Geneva spells for America, not stagnation, then, but opportunity—opportunity for our own people and for people everywhere to realize their just aspirations.

Eagerness to avoid war—if we think no deeper than this single desire—can produce outright or implicit agreement that injustices and wrongs of the present shall be perpetuated in the future. We must not participate in any such false agreement. Thereby, we would outrage our own conscience. In the eyes of those who suffer injustice, we would become partners with their oppressors. In the judgment of history, we would have sold out the freedom of men for the pottage of a false peace. Moreover, we would assure future conflict!

The division of Germany cannot be supported by any argument based on boundaries or language or racial origin.

The domination of captive countries cannot longer be justified by any claim that this is needed for purposes of security.

An international political machine, operating within the borders of sovereign nations for their political and ideological subversion, cannot be explained away as a cultural movement.

Very probably, the reason for these and other violations of the rights of men and of nations is a compound of suspicions and fear. That explains. It cannot excuse. In justice to others and to ourselves, we can never accept those wrongs as a part of the peace that we desire and seek.

We must be firm but friendly. We must be tolerant but not complacent. We must be quick to understand another's viewpoint, honestly assumed. But we must never agree to injustice for the weak, for the unfortunate, for the underprivileged, well knowing that if we accept destruction of the principle of justice for all, we cannot longer claim justice for ourselves as a matter of right.

The peace we want—the product of understanding and agreement and law among nations—is an enduring international environment, based on justice and security. It will reflect enlightened self-interest. It will foster the concentration of human energy—individual and organized—for the advancement of human standards in all the areas of mankind's material, intellectual and spiritual life.

Why U. S. Survived

Can we achieve that sort of peace? I think we can. At times it may seem hopeless, far beyond human capacity to reach. But has any great accomplishment in history begun with assurance of its success? Our own republic is a case in point. Through a long generation there was almost a unanimous world conviction that the United States of America was an artificial contrivance that could not long endure.

And the republic survived its most perilous years—the experimental years—because of dedicated efforts by individuals, not because it had a built-in guarantee of success or a path free from obstacles.

Our case for peace, based on justice, is as sound as was John Marshall's for the Constitution and the union. And it will be as successful—if we present it before the bar of world opinion with the same courage and dedicated conviction that he brought to his mission.

In our communities we can, each according to his capacity, promote comprehension of what this republic must be—in strength, in understanding, in dedication to principle—if it is to fulfill its role of leadership for peace.

In the search for justice, we can make our system an ever more glorious example of an orderly government devoted to the preservation of human freedom and man's individual opportunities and responsibilities.

No matter how vigorously we propose and uphold our individual views in domestic problems, we can present abroad a united front in all that concerns the freedom and security of the republic, its dedication to a just and prosperous peace.

Above all, conscious of the towering achievements manifest in the republic's history under the Constitution, assured that no human problem is beyond solution given the will, the perseverance and the strength—each of us can help arouse in America a renewed and flaming dedication to justice and liberty, prosperity and peace among men.

So acting, we shall prove ourselves—lawyers and laymen alike—worthy heirs to the example and spirit of John Marshall. Like him in his great mission, we shall succeed.

Business Around the World

LONDON • GENEVA • BUENOS AIRES • LA PAZ

›› In London, socialized industries are coming under attack for aggravating Britain's inflationary boom just when the Government is trying to calm it down.

Sales talk Socialists used to sell nationalization of coal, rails, other industries was that Government could use them to moderate booms and slumps.

Instead, socialized industries are adding fuel to inflation by increasing spending for plant and equipment, even getting priority over export needs.

Coal stands out as example. Back in 1953, when Britain's economy still had slack in it, Coal Board spent the equivalent of 160 million dollars on capital goods. Last year, with things taut, Coal Board stepped up capital spending to 238 million. This year, with boom turning into inflation, spending is at still higher rate around 280 million dollars for socialized coal industry.

Question: Has Government lost control of industries it's supposed to run?

›› Business experts in London are openly, publicly worried about the boom.

Britain is failing, once again, to earn its way in the world, spending more abroad than it is earning abroad. Its share of world trade is going down.

Competition, especially from West Germany, is beginning to hurt.

German locomotives, not British, have won a big order from India. German autos are overtaking British cars in U.S. and in Scandinavia, just when Australia, a big British market, is limiting imports. German shipyards are attracting orders even from British shipping lines.

British consumers, on a buying spree, are grabbing goods that could earn export income. And wages, raised early this year, may have to go up again.

Gold, dollar reserves dipped in July and may dip further this autumn.

›› Right now, London is watching anxiously to see if a second round of credit restrictions will in fact bring the boom under control.

Banks are telling businessmen: No loans for capital expansion except for exports, essential imports, seasonal financing, defense production. As result, businessmen now complain they're losing orders for lack of bank financing.

So the squeeze is on. Maybe the clamps on credit will do the trick. Nobody is at all sure. If not, London looks for more-drastic measures, perhaps higher corporate taxes imposed in hope workers will then postpone their wage demands.

›› You notice this about the rise in U.S. private investment overseas, up nearly 3 billion dollars in 1954 for a cumulative total of 26.5 billion:

More U.S. money is going into manufacturing abroad, somewhat less into oil than in year before. There's rising U.S. interest in European stocks, as well as in Canadian securities. And, while U.S. private investments overseas are

(over)

climbing, investments by U.S. Government abroad are slowing, for a change.

>> World climate for investors is obviously on the mend.

Big U.S. investors are increasingly interested in taking pieces of World Bank loans for a power project in Italy, a port in Pakistan, Guatemalan highways.

Private dollars and know-how are taking U.S. retail methods to Australia, establishing a paper industry in Mexico, getting a firm foothold in Europe, and stirring up excitement about export possibilities in the big, new atomic field.

Apparently, it's felt that the old, familiar difficulties--restrictions on take-home profits, currency troubles, political uncertainties--are fading away.

>> To give you the detached Swiss view of the atomic talkfest at Geneva.....

Atomic progress is really further along than speakers at Geneva revealed.

U.S. industry probably has the jump on British industry in industrial use of the atom. Sales made at Geneva are considered less important than contacts established with foreign customers, which can lead to bigger sales later on.

>> Difference between U.S. and Britain in the race to build and sell nuclear-power plants comes down to this: Britain needs nuclear power in a hurry to take place of coal. British resources are limited. So Britain is putting all its eggs in one basket, concentrating on one type of reactor for home and abroad.

U.S. regards British reactor as primitive, inefficient. U.S. can afford time to try out several different types. In the end, U.S. gambles on having a power plant far more efficient than Britain's and one everybody will prefer.

>> In Buenos Aires, the betting is that oil development by U.S. firms will be authorized this autumn, despite the current political turmoil. President Perón is expected to prod the Argentine Congress into approving a contract.

Importance of this is that Argentina can then begin to save on fuel imports, now around 200 million dollars a year, and, while strengthening its own economy, offer new opportunities for U.S. exports and U.S. investors.

>> Meanwhile, though, the Argentine economy is in a good deal of a mess.

Prices keep shooting up. Living costs rose 16 per cent in first four months of this year. It's all the police can do to keep up with price violators. Wages will probably have to be raised soon. Retail sales have slumped. Export earnings have slipped. Central Bank reserves are dwindling very fast.

In addition: Smuggling is an acute, growing headache as Argentines yearn for imported goods other people have--autos, nylons, all the rest.

Hunger for autos is especially sharp, with auto imports banned, with cars in Argentina averaging well over 10 years of age. Which explains why a Ford brings the equivalent of $15,000, a Cadillac $23,500, in the black market.

>> Bolivia is turning to U.S. capital and U.S. experts to help it loosen its dependence on tin exports. Rich iron-ore deposits are being explored by U.S. engineers. Gold-mining concession has gone to U.S. investors. Oil fields are opened to U.S. operators and exports are going to Argentina, Brazil, Chile.

Goal in La Paz is to make Bolivia self-supporting by 1958.

Race now is between internal inflation, growing worse, and enough exports to pay for essential imports. It's anybody's guess which will win.

We've Been Asked:

HOW FLOOD VICTIMS CAN GET TAX RELIEF

- **Thousands of persons will find their taxes reduced this year because of severe floods and hurricanes.**
- **Those who had damages to their homes and business property should know rules on casualty losses.**

Can a person who suffered property damage in recent floods and storms get a tax deduction as a result of such loss?

Yes, that's possible in many cases. Tax laws open the way to softening the blow of losses from floods, hurricanes, tornadoes and storms—known technically as casualty losses. Deductions from taxable income can be claimed for damage to business property, equipment and goods, and to personal possessions such as homes, furniture, clothing, jewelry, appliances, livestock, automobiles, boats and even, in some cases, trees and shrubs.

What is the general rule on deductions for personal losses?

The general rule is that the loss deduction on nonbusiness property is limited to the actual cost or to the difference in value before and after the flood or storm, whichever is smaller. In no case can the deduction be greater than the original cost of the property. The loss must be reduced by any amount recovered from insurance.

Suppose, for example, that your home for which you originally paid $20,000 was badly damaged by flood waters. Its market value was $25,000 just before being struck, and is worth $10,000 now. Your insurance policy, like those of many having recent losses, did not cover damage from floods. Your deduction from taxable income is the difference in value before and after—$15,000.

What about losses to business property?

Deductions for losses on business property are based upon the original investment plus later capital improvements without regard to rise or fall in market values. A business property that cost $10,000 may have been worth only half that amount when completely destroyed. The deduction would be $10,000 minus any amount taken out of taxable income in previous years for depreciation. Here, too, anything collected under insurance would be subtracted from the deduction.

How do you figure the amount of personal-property losses?

The market value usually is the basis. Thus, you cannot claim the sentimental value of heirlooms or other personal property.

Must you prove your actual loss?

You don't have to submit proof with your tax return. But it's well to have evidence of your loss available for possible later use.

What about damage to trees and shrubs?

These losses may be claimed as deductions if the value of property is reduced. This may involve particular trees or shrubs, or the loss may be based upon a general drop in the market value of the property. Also, the cost of removing trees felled by a storm may be a deduction if the presence of the fallen trees lowers the value of the property.

When can these deductions be claimed?

For flood and storm damage this year, you claim a deduction when filing your income tax return for 1955. You must use the long tax form 1040 and itemize your deductions to get credit for personal casualty losses. Business firms with large casualty losses can get a quick tax refund, subject to later adjustment, by filing a claim immediately after the end of their tax years.

Suppose your loss is greater than your taxable income?

Then you can carry back this excess of loss to 1953 and 1954 and claim refunds for those years. If this does not wipe out all of your loss, you can carry the excess forward against income for five years ahead. This provision for carrying back and carrying forward unused losses applies to both individuals and business firms.

Is any other tax relief offered business firms?

Yes. The President has authorized fast depreciation, for tax purposes, for firms that replace destroyed defense plants in flood-disaster areas of the East.

For People who get Thirsty

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Public Health Service Explains—

WHY SOME CHILDREN GOT POLIO FROM "SHOTS" OF VACCINE

An official explanation is now given for those polio cases last spring among children who had been "shot" with vaccine made by the Cutter Laboratories.

The explanation comes from the U. S. Public Health Service, after completion of a four months' investigation.

Here you get the full report of what the Public Health Service found, the conclusions that it reached and what it says about the safety of vaccine now being produced under new federal testing procedures.

On the next page is Cutter Laboratories' comment about the PHS report.

Following is full text of the "Report on Poliomyelitis Vaccine Produced by the Cutter Laboratories," released Aug. 25, 1955, by the U. S. Public Health Service:

I. The Study

Six cases of poliomyelitis were reported as having occurred by April 26 among children who had received vaccine manufactured and distributed by the Cutter Laboratories. Because of the possibility that some of these cases might be attributable to the presence of infective amounts of live virus in some of the lots of vaccine, the Public Health Service requested the Cutter Laboratories to recall the unused portions of the vaccine they had distributed and to suspend the distribution of new lots.

An investigation was begun on April 27. It included:

1. Statistical study of the occurrence of poliomyelitis in the United States with special attention to vaccination as a possible source of infection.

2. Study of Cutter plant facilities, their production practices and the vaccine they produced.

3. Study of vaccine production in the industry as a whole.

The general problem of vaccine production was the subject of the Public Health Service's Report on Salk Poliomyelitis Vaccine published in June 1955. Those findings of the study with general relevance to the entire industry led to the May 26, 1955, revised minimum requirements which the Public Health Service believes provide adequate safeguards for the routine production and use of poliomyelitis vaccine. Those aspects of the study with primary relevance to Cutter vaccine and production methods are the subject of this report.

II. Epidemiology

The Poliomyelitis Surveillance Unit, established April 28, 1955, in the Public Health Service Communicable Disease Center, Atlanta, Georgia, has collected detailed information on the occurrence of poliomyelitis with special attention to vaccine as a possible source of infection. State and local health officials throughout the United States have cooperated in obtaining needed information.

Poliomyelitis in Individuals Receiving Cutter Vaccine. An estimated 401,000 children were reported to have been vaccinated with vaccine from 17 distribution lots of Cutter vaccine. Poliomyelitis was reported to have occurred in 79 of these individuals within 90 days following the administration of vaccine. Of the 79 cases, 73 occurred within a period of 3 to 31 days (the generally recognized incubation period) following vaccination. The majority of these cases were associated with a limited number of distribution lots of Cutter vaccine. Of the 73 cases, 46 cases were reported among individuals injected with vaccine from 6 distribution lots, and 18 cases among those injected with vaccine from the remaining 11 of the 17 distribution lots. The distribution lots of vaccine received by the remaining 9 cases could not be identified.

The attack rate of poliomyelitis in all individuals receiving vaccine from the 6 lots referred to above was 47 per 100,000 children vaccinated; the lowest attack rate for any one of these lots was 20. The combined attack rate observed for the remaining 11 lots used was 6 per 100,000 and the highest attack rate associated with any one lot was 10.

The number of confirmed cases (46) observed in the 6 lots with the high attack rate of poliomyelitis, was larger than the number of cases (5 to 10) expected to have occurred naturally. During the 90-day period of study, 46 of the 49 cases associated with the 6 lots occurred within the incubation period of the disease following vaccination. The site of infection was the site of first paralysis in a high proportion of the cases. These facts warrant a presumption that the cause of the disease in some of the individuals who received vaccine from these 6 lots was infection with poliomyelitis virus contained in these lots of vaccine produced by the Cutter Laboratories.

Attack rates of the disease in individuals receiving vaccine from the remaining 11 of the 17 lots were not higher than could be expected nor did the other data relating to the character of the disease suggest a causal relation between vaccination with material from these lots and the occurrence of poliomyelitis.

Poliomyelitis in Close Associates of Vaccinated Children. There were 90 cases of poliomyelitis in household contacts occurring within 49 days after vaccination of a house-

. . . "Nothing was found to indicate . . . contamination"

hold associate with Cutter vaccine. In 71 of these cases the occurrence of the disease could be associated with specific distribution lots of vaccine. Among the 71 cases, 57 were associates of persons who had been vaccinated with material from the 6 distribution lots, while 14 cases were associates of persons who had been vaccinated with material from the remaining 11 lots. These data support the initial presumption that infective amounts of live virus were contained in the 6 lots.

Isolation of Poliomyelitis Virus. Type I poliomyelitis virus was isolated from 3 of the 6 lots of vaccine by Public Health Service or other laboratories over the 90-day period of study.

Within the study period poliomyelitis virus was isolated from the stools of 28 cases who had been vaccinated with Cutter vaccine from the 6 lots, and from the stools of 32 cases developing in household contacts of persons vaccinated from these 6 lots. Type I virus was identified from 59 of these 60 individuals; however, this finding by itself would not ordinarily be significant, because it is not unusual to isolate Type I virus from a high percentage of cases of poliomyelitis and their contacts in natural outbreaks. The significance of the laboratory identification of Type I virus lies in the correspondence between the type virus found in the 3 lots of vaccine and in the stools of the 59 individuals.

The data on the development of poliomyelitis among individuals who received Cutter vaccine from 6 of 17 distribution lots, on the development of the disease among close associates of those who received that vaccine, and on the isolation of Type I poliomyelitis virus both from individuals who may have been infected and from some of the 6 distribution lots, indicate that infective amounts of live virus were contained in some distribution lots of Cutter vaccine.

III. Plant Production

The plant study dealt with the two possible sources of infective amounts of live poliomyelitis virus in the vaccine—contamination and inadequate inactivation. Distribution of vaccine containing infective amounts of live virus could have occurred if the vaccine was inadequately inactivated or if contamination occurred before withdrawal of vaccine for the final safety tests, but in either case only if the final safety tests failed to demonstrate the presence of live virus. If contamination with virus occurred after the vaccine had been sampled for the safety tests, then the presence of live virus would have gone undetected.

The Possibility of Contamination. The equipment, the physical arrangements and the routine handling procedures of the Cutter Laboratories were checked in detail to determine if deficiencies in them might have led to contamination. Nothing was found to indicate that the infective amounts of live virus in Cutter vaccine were attributable to contamination.

The Possibility of Inadequate Inactivation. In the production process the final safety tests on the trivalent pool (a mixture of the three types of virus) constituted the final check against the release and distribution of an individual lot of vaccine which might have contained an infective amount of live virus if inactivation had been inadequate. Prior to May 27, inadequacy of inactivation was not unusual in the experience of several of the manufacturers. In addition, there were then fundamental weaknesses in the safety testing procedures which failed to assure what is now believed to be a satisfactory degree of sensitivity.

A consideration of the detailed processing data made available to the Public Health Service by the Cutter Laboratories warrants the presumption that a combination of inadequate inactivation and failure of the safety tests permitted the presence of undetected infective amounts of live virus in some lots of the vaccine.

IV. Comment and Summary

1. A study of poliomyelitis in children subsequent to the administration of vaccine produced and distributed by the Cutter Laboratories has been made. It is concluded from that study that the development of the disease in some of these patients was the result of the presence, in infective amounts, of live poliomyelitis virus in some distribution lots of Cutter vaccine. Laboratory studies support this conclusion.

2. The exact reasons for the presence of infective amounts of live virus in some lots of Cutter vaccine could not be found. The study produced nothing which pointed to contamination as a source of the live virus but it did produce data suggesting the combination of inadequacy of virus inactivation and failure of the safety tests as responsible for live virus remaining undetected in the finished vaccine.

3. Study of the Cutter data against the background of general experience of the industry during the same time period strengthens the probability that the cause of the trouble was inadequate inactivation coupled with failure of the safety tests to demonstrate the presence of virus.

Federal Law (18 U.S.C. 1905) prohibits public disclosure, not authorized by law, by officers or employees of the United States of information concerning business processes or operations obtained by them in the course of investigations.

Comment by Cutter Laboratories

A spokesman for the Cutter Laboratories of Berkeley, Calif., made the following statement on August 25:

The United States Public Health Service has issued a thorough, scientific and courageous report, affirming our faith that no negligence or incompetence would be found at Cutter Laboratories. While naturally relieved that possible vaccination accidents can not be attributed to carelessness on our part, this can not remove our continuing deep concern for those who have been affected.

This concern is also in the hearts of those in our poliomyelitis laboratory. They are highly qualified scientific workers who themselves, as well as their families, were vaccinated with the poliomyelitis vaccine they produced. This vaccine passed all tests then prescribed by the Government. As the report points out, the United States Public Health Service has since drastically revised these tests.

From Secretary Dulles—

U.S. OFFERS MONEY, ASSISTANCE TO END ARAB-ISRAELI DISPUTE

The United States is undertaking now to calm one more troubled area of the world—the explosive Middle East.

Tension between Israel and its Arab neighbors is taut as ever, after years of truce.

Armed clashes along the border, disputes over boundaries, the plight of unsettled refugees—all help to keep the region stirred up.

U. S. has a direct stake in what happens. A "little war" could spread, get out of hand, upset the West's defenses against Russia.

This, as unfolded by the Secretary of State, is President Eisenhower's plan for restoring calm to the Middle East.

Following is full text of an address by Secretary of State John Foster Dulles before the Council on Foreign Relations, New York, Aug. 26, 1955, as prepared for delivery:

One of the first things I did as Secretary of State was to go to the Middle East. I wanted to see for myself that area so rich in culture and religious tradition, yet now so torn by strife and bitterness. So, in the spring of 1953, I visited Egypt, Israel, Jordan, Syria, Lebanon, Iraq and Saudi Arabia. Upon my return I spoke of the impressions gathered on that trip and of the hopes which I held as a result of talks with leaders and people there.

Some of those hopes have become realities. At that time the Suez Base was a center of controversy and of potential strife. Now, as a result of patient effort, in a spirit of conciliation, the problem of the Suez Base has been successfully resolved.

Another problem which was then concerning many of the leaders in the Middle East was that of the security of the area. It was clear that effective defense depended upon collective measures and that such measures, to be dependable, needed to be a natural drawing together of those who felt a sense of common destiny in the face of what could be a common danger. Here, too, there has been some encouraging progress.

A third problem which called for attention was the need for water to irrigate land. I mentioned in my report the possibility that the rivers flowing through the Jordan Valley might be used to make this valley a source of livelihood rather than dispute. Since then Ambassador Eric Johnston [special U. S. envoy to the Middle East] has held talks with the governments of countries through which the River Jordan runs. They have shown an encouraging willingness to accept the principle of co-ordinated arrangements for the use of the waters. Plans for the development of the Valley are well advanced. Ambassador Johnston is now on his fourth visit to the countries concerned in an effort to eliminate the small margins of difference which still exist.

A beginning has been made, as you see, in doing away with the obstacles that stand in the way of the aspirations of the Middle Eastern peoples. It is my hope—and that is the hope of which I would now speak—that the time has come when it is useful to think in terms of further steps toward stability, tranquillity and progress in the Middle East.

The Arab-Israel Problem

What are the principal remaining problems? They are those which were unresolved by the armistices of 1949 which ended the fighting between Israelis and Arabs. Before taking up these problems specifically, I would first pay high tribute to what the United Nations has done to preserve tranquillity and to serve humanity in the area. Despite these indispensable efforts, three problems remain that conspicuously require to be solved:

- The first is the tragic plight of the 900,000 refugees who formerly lived in the territory that is now occupied by Israel.
- The second is the pall of fear that hangs over the Arab and Israel people alike. The Arab countries fear that Israel will seek by violent means to expand at their expense. The Israelis fear that the Arabs will gradually marshal superior forces to be used to drive them into the sea, and they suffer from the economic measures now taken against them.
- The third is the lack of fixed permanent boundaries between Israel and its Arab neighbors.

There are other important problems. But if these three principal problems could be dealt with, then the way would be paved for the solution of others.

These three problems seem capable of solution, and surely there is need.

Border clashes take an almost weekly toll of human lives and inflame an already dangerous mood of hatred. The sufferings of the Arab refugees are drawn out almost beyond the point of endurance. The fears which are at work on each side lead to a heavy burden of armament, which constitutes a serious drag on economic and social progress. Responsible leaders are finding it hard to turn their full attention and energies to the positive task of creating conditions of healthy growth.

Serious as the present situation is, there is a danger that unless it improves, it will get worse. One ill leads to another, and cause and effect are hard to sort out. The atmosphere, if it worsens, could becloud clear judgments, making appear attractive what would in fact be reckless.

. . . "I hope other countries would join in security guarantee"

Both sides suffer greatly from the present situations, and both are anxious for what they would regard as a just and equitable solution. But neither has been able to find that way.

This may be a situation where mutual friends could serve the common good. This is particularly true since the area may not, itself, possess all of the ingredients needed for the full and early building of a condition of security and well-being.

The United States, as a friend of both Israelis and Arabs, has given the situation deep and anxious thought and has come to certain conclusions, the expression of which may help men of good will within the area to fresh constructive efforts. I speak in this matter with the authority of President Eisenhower.

I

To end the plight of the 900,000 refugees requires that these uprooted peoples should, through resettlement and, to such an extent as may be feasible, repatriation, be enabled to resume a life of dignity and self-respect. To this end, there is need to create more arable land where refugees can find permanent homes and gain their own livelihood through their own work. Fortunately, there are practical projects for water development which can make this possible.

All this requires money.

Compensation is due from Israel to the refugees. However, it may be that Israel cannot, unaided, now make adequate compensation. If so, there might be an international loan to enable Israel to pay the compensation which is due and which would enable many of the refugees to find for themselves a better way of life.

President Eisenhower would recommend substantial participation by the United States in such a loan for such a purpose. Also he would recommend that the United States contribute to the realization of water-development and irrigation projects which would, directly or indirectly, facilitate the resettlement of the refugees.

These projects would, of course, do much more than aid in the resettlement of refugees. They would enable the people throughout the area to enjoy a better life. Furthermore, a solution to the refugee problem would help in eliminating the problem of recurrent incidents which have plagued and embittered the settlements on both sides of the borders.

II

The second principal problem which I mentioned is that of fear. The nature of this fear is such that it is hardly within the capacity of the countries of the area, acting alone, to replace the fear with a sense of security. There, as in many other areas, security can be assured only by collective measures which commit decisive power to the deterring of aggression.

President Eisenhower has authorized me to say that given a solution of the other related problems, he would recommend that the United States join in formal treaty engagements to prevent or thwart any effort by either side to alter by force the boundaries between Israel and its Arab neighbors. I hope that other countries would be willing to join in such a security guarantee, and that it would be sponsored by the United Nations.

By such collective-security measures the area could be relieved of the acute fears which both sides now profess. The families located near the boundaries could relax from the strain of feeling that violent death may suddenly strike them; the peoples of the area whose standards of living are already too low would no longer have to carry the burden of what threatens to become an armaments race if indeed it does not become a war; the political leadership of the area could devote itself to constructive tasks.

III

If there is to be a guarantee of borders, it would be normal that there should be prior agreement upon what the borders are. That is the third major problem. The existing lines separating Israel and the Arab states were fixed by the Armistice Agreements of 1949. They were not designed to be permanent frontiers in every respect; in part, at least, they reflected the status of the fighting at the moment.

The task of drawing permanent boundaries is admittedly one of difficulty. There is no single and sure guide, for each of two conflicting claims may seem to have merit. The difficulty is increased by the fact that even territory which is barren has acquired a sentimental significance. Surely the over-all advantages of the measures here outlined would outweigh vastly any net disadvantages of the adjustments needed to convert armistice lines of danger into boundary lines of safety. In spite of conflicting claims and sentiments, I believe it is possible to find a way of reconciling the vital interests of all the parties. The United States would be willing to help in the search for a solution if the parties to the dispute should desire.

IV

If agreement can be reached on these basic problems of refugees, fear and boundaries, it should prove possible to find solutions for other questions, largely economic, which presently fan the flames of hostility and resentment.

It should also be possible to reach agreement on the status of Jerusalem. The United States would give its support to a United Nations review of this problem.

Conclusion

I have not attempted to enumerate all the issues on which it would be desirable to have a settlement, nor have I tried to outline in detail the form which a settlement of any of the elements might take.

I have tried to show that possibilities exist for an immeasurable improvement and that the possibilities do not require any nation taking action which would be against its interests, whether those interests be measured in terms of material strength or in terms of national prestige and honor. I have also, I trust, made clear that the Government of the United States is disposed to enlarge those possibilities by contributions of its own, if this be desired by those concerned.

Both sides in this strife have a noble past, a heritage of rich contributions to civilization; both have fostered progress in science and the arts. Each side is predominantly representative of one of the world's great religions. Both sides desire to achieve a good life for their people and to share, and contribute to, the advancements of this century.

At a time when a great effort is being made to ease the tension which has long prevailed between the Soviet and Western worlds, can we not hope that a similar spirit should prevail in the Middle East? That is our plea. The spirit of conciliation and of the good neighbor brings rich rewards to the people and to the nations. If doing that involves some burdens, they are burdens which the United States would share, just as we would share the satisfaction which would result to all peoples if happiness, contentment and good will could drive hatred and misery away from peoples whom we hold in high respect and honor.

Vice President Nixon Says:

GENEVA CONFERENCE REALLY CHALLENGED RUSSIANS

Vice President Nixon, assessing Big Four talks at Geneva, tells Communists they can prove their sincerity if they will—

- **Agree to a unified Germany.**
- **Withdraw Chinese troops from Korea.**
- **O.K. this country's air-inspection plan.**
- **Dismantle Russia's Iron Curtain.**

What the Reds do about these issues, Mr. Nixon says, will be the tip-off to Communists' real intentions in the "cold war."

Within the U. S., the Vice President adds, investigations of Communists should be continued by Congress as a matter of "informing the public," despite any objections.

Following are extracts from an address by Vice President Richard M. Nixon before the convention of the American Bar Association, Philadelphia, Aug. 25, 1955, as released by the Vice President's office:

In several respects the Geneva Conference was by all odds the most successful conference at the head-of-state level we have ever held with the Russians.

The United States has never been better prepared nor better represented at a conference with the Russians than it was by President Eisenhower and Secretary of State Dulles.

There were no secret agreements.

We more than held our own in the highly important propaganda field. For the first time since World War II, the U. S. is off the defensive and on the offensive on the great issue of peace.

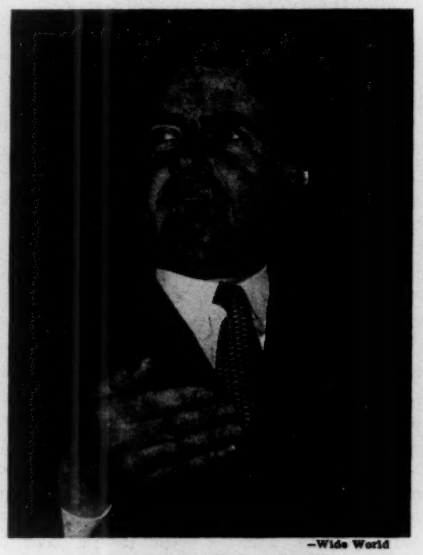
There are two major tests as to the failure or success of an international conference of this type:

Did it result in the surrender of free-world interests? On this count, the Conference was an unqualified success.

Did it make progress toward peace? In analyzing this question we must first consider this sobering thought: The Soviet leaders did not change their position one iota on the two major issues considered at the Conference—disarmament and the unification of Germany.

This does not mean, however, that the Conference made no real contribution toward the objective of peace. Secretary Dulles put it this way on his return:

> Before the Conference there were differences between the free nations and the Soviet Union.
>
> These same differences existed after the Conference.
>
> But before the Conference there was considerable risk that those differences would result in war.
>
> The chance of their resulting in war has been substantially reduced as a result of the Conference.



—Wide World

VICE PRESIDENT NIXON

What we must all recognize is that the Geneva Conference was not an end in itself. It was a means to an end.

As the President said before going to Geneva, the purpose of the Conference was not to settle complicated issues but to develop, if possible, the spirit and procedures which would improve the chance for reaching agreement on such issues at later conferences at the negotiating level.

In that respect the Conference was a complete success. If the spirit of belligerence and ill will which existed before Geneva had continued, there would have been no chance whatever for any discussion on substantive points of difference to succeed. As a result of Geneva, the differences we have can—and, we hope, now will—at least be discussed in a conciliatory atmosphere. Now the real test comes. The next three or four months will tell us a great deal about real Soviet intentions.

Do they want to reduce international tensions by deeds? Or is their cordiality only calculated to get us to drop our guard so that they can attain more easily their objective of world domination?

Certainly, until they give us reason to conclude to the contrary, we should give them the benefit of the doubt. Their co-operation at the recently concluded Atoms for Peace Conference is a good omen. If that same attitude continues we can hope for some positive progress toward peace being made at the Foreign Ministers Conference.

Here are some steps which the Communists can take which would go a long way toward proving that they honestly want to reduce tensions and to live in peace with the rest of the world:

- Agree to free elections and the unification of Germany.
- Withdraw the Chinese Communist troops from Korea and agree to free elections and the unification of Korea.

• Agree to the President's aerial-inspection plan and thereby pave the way for disarmament.

• Dismantle the barbed wire, the land mines, the watchtowers, the machine guns of the Iron Curtain which divides the people of Europe.

• Give freedom to the satellite countries.

• Curtail the activities of Moscow-controlled Communist organizations in free nations.

What they do on these basic issues will determine whether there is a real thaw in the "cold war," or just a brief warm spell before a big freeze.

In the meantime, what should our policy be?

If, as a result of the Conference, we allow the West to be divided, if we weaken our defenses, Geneva will have been a disaster.

The President, the Secretary of State and all the leaders of this Administration are determined that this shall not happen.

One of the major reasons for the change in Soviet tactics was undoubtedly the strength that the free world had developed. Our policies of strength and firmness were working. Now is the time to continue them, not to change them.

Investigating Reds in U. S.

How to deal with the Communist conspiracy is a problem which particularly troubles lawyers, concerned as we should be with maintaining the delicate and necessary balance between security and freedom.

We find little difficulty in justifying the prosecution of members of the conspiracy when they violate the laws of the land, or denying them the privilege of Government service. May I say at this point that Attorney General Brownell and J. Edgar Hoover are doing a magnificent job in protecting the security of the nation, while scrupulously safeguarding constitutional processes.

But many lawyers find it difficult to justify congressional investigation of Communist activities. In times past, much of the criticism of congressional investigations was directed to procedures rather than to substance. But even in recent weeks, when committees with admittedly fair procedures have been conducting investigations in this field, the criticism continues.

It is apparent that the real basic objection of most of the critics is not how committees investigate in this field but what.

Some contend that this problem should be left to the courts. But the courts can move only when a crime is committed, and this may be too late when dealing with a conspiracy.

Others say we should leave investigations to the FBI—they are experts. But the FBI can investigate only. It cannot expose. It cannot institute prosecutions.

Still others contend that congressional committees are limited constitutionally to investigations which are conducted for the specific purpose of developing legislation.

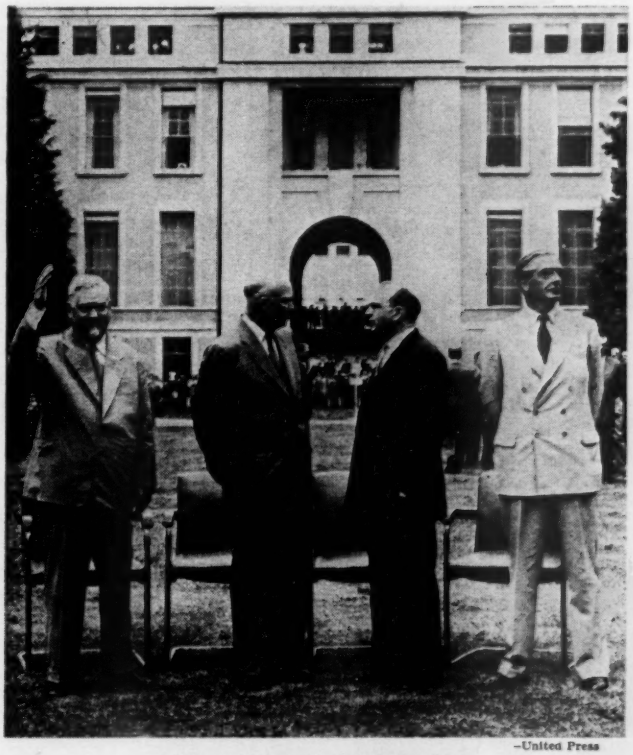
But I submit an outstanding authority to the contrary. Woodrow Wilson declared there were three recognized functions of congressional investigating committees: (1) determining what laws to enact; (2) checking the executive branch's enforcement of law, and (3) informing the public. The third function—informing the public—he said was perhaps the most valuable of all.

I can testify by experience that against Communist activity, which is by nature and definition secret and conspiratorial, there is no more effective weapon than exposure. In my opinion, properly conducted congressional investigations of Communist activities deserve the full support of the lawyers of America.

But may I draw here a distinction. We must constantly be on guard against the error of confusing participation in the Communist conspiracy with free discussion of Communist theory and practice.

The Communist conspiracy should be exposed and its members prosecuted when they violate the laws of the land.

But Communist theory and practice, labeled as such, should be freely and objectively discussed in our schools and by our public information media. No matter how repugnant an economic or political theory may be, we must never make the error of suppressing free discussion of it. Communist teachers,



–United Press

THE GENEVA CONFERENCE
Russia's Bulganin, President Eisenhower, France's Faure and Britain's Eden, July 19, 1955

of course, cannot qualify to teach the truth about Communism because they are under discipline to misrepresent rather than to present it in its true light.

We must recognize that the great battle in the world today—the decisive one—is the battle of ideas. The best answer to a false idea is not ignorance but the truth. Twenty-one American boys of the thousands who were captured in Korea chose Communism. Twenty of these 21 had never heard of Communism except as a dirty word before their capture.

And while we are teaching the truth about Communism to our young people, we need also to do a more effective job of teaching the truth about the United States.

I have no question but that, if given a chance to choose in the free market place of ideas between the theory of Communism and American principles, the overwhelming majority of America's youth will make the right decision.

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NEWS-LINES

WHAT YOU AS A BUSINESSMAN ☑ CAN and ☒ CANNOT DO

as a result of recent court and administrative decisions

☑ **YOU CAN,** as an employer, refuse to deal with either faction of a ***collective-bargaining union*** that has split into two separate groups. An administrative decision by the General Counsel of the National Labor Relations Board holds that, in a situation of this kind, an employer acted properly in invoking the election procedures of the Taft-Hartley Act.

* * *

☑ **YOU CAN** soon apply for a Government-backed loan to build a ***trailer court.*** Under provisions of the new Housing Act, the Federal Housing Administration is drawing up regulations for this new program. Loans can run up to $1,000 per trailer space, with a ceiling of $300,000 for one project.

* * *

☑ **YOU CAN** soon import goods into the U. S. without turning in a consular certification for the merchandise imported. The requirement that invoice forms for ***imports*** be certified by a U. S. consul is being dropped by the Treasury Department, effective October 1.

* * *

☑ **YOU CAN** now obtain hundreds of Government reports on atomic research, most of them previously unpublished. These 961 reports of the Atomic Energy Commission cover many areas of scientific and industrial application of the atom. Free copies of "List of AEC Research Reports for Sale" may be obtained from the office of Technical Services, Commerce Department, Washington 25, D.C.

* * *

☑ **YOU CAN,** as a farmer, give away a ***farm product*** without including its value in your gross income for tax purposes. However, in so ruling, the Internal Revenue Service says the farmer must eliminate the cost of raising the product from his business-expense deduction.

☒ **YOU CANNOT** safely allow a union official to make a speech on your plant property within 24 hours before a ***representation election,*** even though you offer a rival union the same opportunity. The Labor Board finds that permitting such an address conflicts with its 24-hour rule against pre-election campaign speeches.

* * *

☒ **YOU CANNOT** legally agree to a contract clause under which a union has entire control over ***seniority.*** Both a company and a union, according to NLRB, violate the Taft-Hartley Act by such an agreement making the union sole administrator over seniority.

* * *

☒ **YOU CANNOT,** as a Government contractor covered by the recently extended ***Renegotiation Act,*** avoid filing a financial statement with the Renegotiation Board by November 1 if your fiscal year began in 1954 and ended before June 30, 1955. However, under revised regulations of the Board, contractors whose fiscal years end after June 30 are given more time to make the financial reports.

* * *

☒ **YOU CANNOT** import ***bicycles*** into the U. S. without paying a higher duty. The President orders the bicycle tariff increased by 50 per cent to avoid what was described as "threatened serious injury" to the American industry. The Tariff Commission had recommended a higher duty.

* * *

☒ **YOU CANNOT** treat as a capital gain, for tax purposes, the amount that you receive in settlement of a claim for additional pay under a ***Government contract.*** A court of appeals rules in a case involving a Government construction contractor that such an amount is taxable as ordinary income and not as a capital gain.

Conclusions expressed in these paragraphs are based upon decisions and rulings of courts and Government Bureaus. In making their decisions, courts and bureaus consider many facts which, for reasons of space, cannot be set forth in detail. U. S. NEWS & WORLD REPORT, *on written request, will refer interested readers to sources of this basic material.*

Trend of American Business®

24th and N Streets, N.W.
Washington, D.C.

Flood damage in the Northeast will be felt by the U. S. Treasury, too.

Tax collections are certain to drop in New England, New York, New Jersey, Pennsylvania, as business shutdowns eat into profits.

Losses from floods also will lead to some tax refunds.

Outflow of money from the Treasury will increase as relief costs are met.

At the moment, it is impossible to estimate the effects of floods on the Treasury, but it will run into millions. Officials doubt, however, that the disaster will seriously upset the Government's favorable budget position.

Tax refunds, sometimes in sizable amount, are to be claimed by business firms after they calculate their losses, charge them off against taxes paid on profits in earlier years. They also can carry losses forward for five years.

Tax payments from damage businesses promise to be smaller for some time.

Individuals, too, will pay less as they deduct losses from incomes.

Then there will be fast write-offs on rebuilt or replaced plants and machinery. That will mean smaller tax payments in future years, too.

Federal aid for flood rehabilitation will show up in Government outgo.

Direct-relief costs to be met by the Federal Government are expected to run as high as 100 million dollars.

Small Business Administration has some funds available for disaster loans.

Farmers Home Administration has money to loan to flood-hit farmers.

Unemployment benefits will rise to provide for displaced workers.

Office of Defense Mobilization has 900 million dollars in a revolving fund that can be loaned to repair or rebuild defense plants. ODM can perhaps stretch the definition of defense plants to cover a wide range.

Tax relief and federal loans, however, can scarcely make a dent in the huge losses suffered by people and business firms as a result of the floods.

Outside of flood areas, business prospects continue to be bright. Take this report from the National Association of Purchasing Agents:

Production is as high in August as in July, or higher, among 85 per cent of the firms that report in monthly surveys.

New-order position has improved among 58 per cent of the firms.

Inventories are down a bit, but only because some materials are short.

Purchasing agents are ordering further ahead than they have been recently.

In general, the business picture is "one of great strength and activity."

You get the same optimistic reports from manufacturing companies. Here is what the National Industrial Conference Board finds:

Business activity will be just as high in the second half of this year as

(over)

in the first half, if not higher. That's the consensus of 131 companies.

Volume of new orders is expected to continue at about the first-half rate.

Inventories are expected to move a bit higher in the next six months.

Capital investment is likely to increase for most companies.

Profits are expected to be higher than in 1954.

Manufacturers of metals and metal products are the most optimistic, but auto companies and steel firms expect a dip in operations. In auto and steel, however, firms expect second-half operations to top the second half of 1954.

Cost of living inched up again in July for the second straight month.

Consumer price index went from 114.4 per cent of the 1947-49 average in June to 114.7 per cent in July. In May it was 114.2 per cent.

A year ago the index was 115.2 per cent, so it is still a bit less costly to live today than last year.

The increase, nevertheless, is sufficient to give a 1-cent-an-hour wage raise to around 750,000 workers whose union contracts are tied to prices.

Food prices were largely responsible for the July increase. Biggest jumps came in prices for fresh fruits and eggs.

New highs are reported for rents, household-operation costs, medical care, personal care, such as barbers and beauty parlors. These costs have been rising slowly but steadily for some time.

Prices of cars, new and used, are reported to be down a bit.

Clothing prices are found to be unchanged from a month earlier.

There's little evidence yet that retail prices are due to have any marked rise in the period ahead. Food prices, in fact, probably will drop a bit. Competition is keen in almost all fields, and that tends to check prices.

A system of stand-by controls has been worked out by the Government, to be put into effect in event of an emergency.

Control orders already have been drafted for quick application.

General freeze of prices, wages and rents is contemplated at the outset.

Antihoarding orders also are prepared.

Specialized industry controls are ready to go into effect, too.

Plans have been drawn up by the Office of Defense Mobilization. They deal generally with full or partial mobilization, in the absence of bomb attack. ODM, however, has other plans in process to deal with sudden attacks.

The mobilization agency reported to Congress that its plans are subject to constant revision as new tests are made. Some of the latest orders came as a result of "Operation Alert" that was conducted last June. ODM's purpose is to avoid mobilization delays that occurred in World War I and World War II.

Tax revenue of State governments hit a record of nearly 11.6 billions in the fiscal year ended last June 30, the Census Bureau reports.

Biggest revenue producers are general sales taxes, applied by 32 States, and gasoline taxes, applied by all the States.

Next in line are taxes on autos and trucks, and on individual incomes.

In addition to tax collections by States are taxes levied by cities and counties. They amounted to 11 billions in the 1954 fiscal year.

The Fruit of Freedom

Labor Day, 1955

You can sense the symphony of American production throughout the land — the gentle hiss of a Bunsen burner in a lab . . . the rumble of a factory and the roar of a blast furnace . . . the snarl of a sawmill and the whine of a dynamo . . . the trap-drumming of riveting guns, and the never-ending click of steel wheels on steel rails.

You can see the American people — more millions than ever before, living better than any other peoples at any other time . . . better fed, better clothed, better educated, healthier . . . owning more homes and more luxuries . . . possessing more insurance, more pensions, more security . . . enjoying better working conditions and more leisure time.

All this is the fruit of freedom. It blooms only in the climate of free enterprise. It ripens only in the economic sunshine of competent, loyal workers and intelligent, foresighted management working together as a team. And it is harvested by more than 165 million men, women and children who live immeasurably better because of it.

When the rewards are so great, so tangible — *can any American fail in his devotion to the principles of free enterprise and the completeness of liberty in the land?*

"It is inherent in our system, under which freedom of competition makes monopolies well-nigh impossible, that greater productivity in selling things must go hand-in-hand with greater productivity in making things, and that as ownership shares the fruits of higher productivity among its customers and its employees, as well as itself, the purchasing power of all three groups is improved, and the standard of living of the total population rises in the process".—*W. L. McGrath, United States Employer Delegate to 1954 International Labor Conference.*

U.S. Production Best in History

Washington (AP)—American production took a surprising leap to a record rate of 383 billion dollars annually in the April-June quarter, the President's Council of Economic Advisors announced today.

A whole sheaf of other new records — in personal income, consumer spending, employment, and industrial output — were disclosed in the council's monthly publication, "Economic Indicators."

These figures established the second quarter as the high-water mark of business activity in the country's history.

The new production rate was $7,700,000,000 above the previous high — attained in the first quarter.

Norfolk and Western Railway

COURAGEOUS WORDS!

BY DAVID LAWRENCE

COURAGEOUS WORDS HAVE COME from the President of the United States to dispel the fog left after the Geneva Conference by the ambiguity of Soviet utterances. For the speeches of Moscow's officials have implied that "peaceful co-existence" means an indefinite prolongation of the slavery imposed behind the Iron Curtain—an acceptance of things as they are.

Mr. Eisenhower's address last week before the American Bar Association meeting reminds the Soviet Union's rulers that, while the leaders of our country can be polite, friendly and congenial in international conferences, this doesn't mean that the United States is ready to abandon its ideals or to compromise its principles. For, as the President sees it, appeasement does not mean peace—it assures war.

Mr. Eisenhower has given dramatic encouragement to the oppressed peoples in Soviet Russia as well as in the satellite states.

For many weeks these peoples—their views reflected by refugees who once occupied posts of importance in their governments—have been increasingly apprehensive lest Great Britain, France and the United States accept the "status quo." This would mean a ratification of the Soviet grab of territory and its continued domination of hundreds of millions of people. Certainly America does not intend to abandon their cause, even though not intending any more than before to initiate in their behalf a war of liberation.

America represents the moral force of the world. Her spokesmen would be faithless to a great tradition if they failed to reaffirm a deep interest in the future of oppressed peoples everywhere. The President said:

"There can be no true peace which involves acceptance of a status quo in which we find injustice to many nations, repressions of human beings on a gigantic scale, and with constructive effort paralyzed in many areas by fear.

"The spirit of Geneva, if it is to provide a healthy atmosphere for the pursuit of peace, if it is to be genuine and not spurious, must inspire all to a correction of injustices, an observance of human rights and an end to subversion organized on a world-wide scale . . .

"Geneva spells for America, not stagnation, then, but opportunity—opportunity for our own people and for people everywhere to realize their just aspirations.

"Eagerness to avoid war—if we think no deeper than this single desire—can produce outright or implicit agreement that injustices and wrongs of the present shall be perpetuated in the future. We must not participate in any such false agreement. Thereby, we would outrage our own conscience. In the eyes of those who suffer injustice, we would become partners with their oppressors. In the judgment of history, we would have sold out the freedom of men for the pottage of a false peace. Moreover, we would assure future conflict!

"The division of Germany cannot be supported by any argument based on boundaries or language or racial origin.

"The domination of captive countries cannot longer be justified by any claim that this is needed for purposes of security.

"An international political machine, operating within the borders of sovereign nations for their political and ideological subversion, cannot be explained away as a cultural movement."

Here is a plain-spoken definition of American aims and goals—our outline of a basis for world peace, as it was expressed frequently before the Geneva Conference. But being proclaimed again now after Geneva, it carries a special significance. The President does not advocate violence but recognizes that peoples living in tyranny will inevitably invoke force if they are driven to it. He makes that point as he says:

"We must not think of peace as a static condition in world affairs. That is not true peace, nor in fact can any kind of a peace be preserved that way. Change is a law of life, and unless there is peaceful change, there is bound to be violent change."

The President takes his position unflinchingly for the support of American principles long ago written into our record in world affairs. He speaks for the whole nation, as he issues to the Soviet Union this piece of timely advice:

"Peace and security for all can be established—for the fearful, for the oppressed, for the weak, for the strong. But this can be done only if we stand uncompromisingly for principle, for great issues . . . with the zeal of the crusader."

When principle is forsaken, war comes. When men sell their souls in craven submission at international conferences, war comes. When statesmen stand steadfastly together for the right—eschewing surrender and appeasement—their faith and their moral strength can warn an enemy against the fatal miscalculations that bring on war. For a sincere spirit of conciliation must not be mistaken again—as it was at Munich in 1938—for a willingness to pay any price for peace.

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O. M. Solumbeck *Controller*

*VICKEY VAUGHN and TONI TODD labels established Kaufmann as the "largest cotton dress manufacturer."

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